MR. DEPUTY CHAIRMAN in the Chair.

GOVERNMENT BILLS (Contd.)

The Chartered Accountants (Amendment) Bill, 2005

The Cost and Works Accountants (Amendment) Bill, 2005,

and

The Company Secretaries (Amendment) Bill, 2005

MR. DEPUTY CHAIRMAN: We shall now take up the Chartered Accountants (Amendment) Bill, 2005; the Cost and Works Accountants (Amendment) Bill, 2005; and the Company Secretaries (Amendment) Bill, 2005.

SHRI C. RAMACHANDRAIAH (Andhra Pradesh): Sir, the entire House wants to know your view.

MR. DEPUTY CHAIRMAN: I declare my interest that I am **a** Chartered Accountant.

THE MINISTER OF STATE OF THE MINISTRY OF COMPANY AFFAIRS (SHRI PREM CHAND GUPTA): Sir, I beg to move:

'That the Bill further to amend the Chartered Accountants Act, 1949, be taken into consideration."

"That the Bill further to amend the Cost and Works Accountants Act, 1959, be taken into consideration."

"That the Bill further to amend the Company Secretaries Act, 1980, be taken into consideration."

Sir, the Chartered Accountants, the Cost and Works Accountants and Company Secretaries are the three professions which play very important role in the corporate sector. These professions are regulated by three statutory Institutes - the Institute of Chartered Accountants of India, the Institute of Cost and Works Accountants of India, and the Institute of Company Secretaries of India which have been set up under the Chartered Accountants Act, 1949; the Cost and Works Accountants Act, 1959; and the Company Secretaries Act, 1980, respectively. Sir, the regulatory measures regarding these three Institutes were introduced

many years ago when India had just emerged from its colonial past and stepped into the modern era. As we have progressed over the years' and as India has transformed from a poor Third World country to an emerging economic power house, need for new arrangements has been felt. This is particularly so during the last 15 years during which significant changes have taken place at the national and international level. Based on these experiences, consensus has evolved for the need of further reforms to be brought in the economy in general and the professions in particular. Sir, the regulatory mechanism available today for the three professional Institutes is considered deficient in certain respects' more particularly in the following areas:

(i) taking corrective action wherever required,

(ii) enabling full utilisation of capacities of the Indian professionals to provide services in the international arena,

(iii) providing guidance for the growth of the professions in line with changed requirements of stakeholders and providing avenues for growth of institutions in a well-administered and transparent fashion.

With these objectives in mind and based on the recommendations of the Joint Parliamentary Committee on Stock Market Scam and the high level Committee on Corporate Audit and Governanes-set up under the Chairmanship of Shri Naresh Chandra, Amendment Bills to 35 this effect were introduced in the Rajya Sabha on 23rd December, 2003. The Bills were thereafter referred to the Parliamentary Standing Committee on Finance whose reports were presented to Parliament in February, 2005. Taking into account the recommendations of the Committee, extensive changes were required in the original Amendment Bills. Hence, they were permitted to be withdrawn by the House on 6th December and new Amendment Bills were introduced on the same day incorporating the proposed amendments. Sir, changes, which were envisaged in the Bill, are aimed at ensuring credibility of the Financial Information System which is largely prepared on the advice of the professionals and which is crucial to investors and stakeholders. This would become more important in the light of review of Company Law taking place with the aim of bringing in self-regulation with accountability. This accountability would come through credible disclosure, which can be ensured only through high level of accountability and professionalism amongst the Chartered Accountants.

Similarly the ICWAI having been set up during the era of closed economy needs to be reoriented to meet the challenges of a growing, competitive market economy, domestically and internationally. And, in case of ICSI, there is a need to develop its professional perspective to match the need for better compliance with law by corporates in the interest of all stakeholders.

Further, Sir, I would like to state that our professionals are very competent and can compete with the best at the international level. We need to provide an enabling atmosphere that would make it possible for them to grow into multi-professional firms and compete commercially in the international arena. Provision of a transparent and independent disciplinary mechanism so as to make them accountable for their actions is part of the same exercise. There is also a need to continuously upgrade the quality of the profession and the professionals through an institutional mechanism in which not only the professionals themselves but also other stakeholders are involved. In the increasing global competition, new opportunities are opening up in the services sector. Our professionals are very competent. With the proposed amendments, our professionals will be able to form multi-disciplinary firms and face the global competition in a much stronger and more effective manner.

Sir, the proposed amendments are aimed at fulfilling the above objectives. The present Bills are a result of long and continued efforts of the Government to respond to the changing needs of the society taking into account the interests of all stakeholders. I hope that the hon. Members of the House would welcome these Bills and support these Bills wholeheartedly.

The questions were proposed.

श्री अजय मारू (झारखंड) **:** उपसभापति महोदय, Chartered Accountants, Cost and Works Accountants तथा Company Secretaries संबधित ये तीनों बिल, दो वर्ष पूर्व तत्कालीन NDA सरकार की ओर से तत्कालीन वित्त मंत्री श्री जसवंत सिंह जी ने पेश किए थे। इसका कारण यह था कि इन तीनों प्रोफेशन में काम करने के तरीकों में काफी बदलाव आया था और पहले के बिल outdated हो चुके थे। संसद की स्थायी समिति में विचार-विमर्श के बाद, इन तीनों बिलों को संशोधित रूप में इस सदन में आज पेश किया जा रहा है।

उपसभापति जी, मैं इन तीनों बिलों के पीछे की भावना से सहमत हूं और मैं यह मानता हूं कि पुराने बिलों में संशोधन करने की आवश्यकता थी। एक ओर जहां आज हम इन तीनों बिलों

पर बात कर रहे हैं, मैं यह कहना चाहता हूं कि पिछले चार-पांच वर्षों में विश्व स्तर पर corporate governance के कई मुद्दे सामने आए, जिससे Chartered Accountants, Cost and Works Accountants और Company Secretaries की कार्य-प्रणाली पर हमले होने आरंभ हो गए और हमारा देश भी इससे अछूता नहीं रहा। इसलिए समय रहते NDA गवर्नमेंट ने पूर्व कैबिनेट सचिव श्री नरेश चन्द्रा की अध्यक्षता में एक उच्चस्तरीय कमेटी का गठन किया, जो आडिट और कंपनी संबंधित मामलों पर विचार करके उपरोक्त तीनों प्रोफेशनल संस्थानों पर अपनी राय दे। श्री नरेश चन्द्रा कमेटी और स्टॉक घोटालों पर बनी JPC की अनुशंसा के बाद, ये तीनों बिल वर्ष 2003 में संसद में लाए गए।

महोदय, चार्टर्ड एकाउंटेंट अधिनियम संसद ने 1949 में पारित किया था। उस वक्त देश में चार्टर्ड एकाउंटेंट्स की संख्या मात्र 1,600 थी और आज यह बढ़कर 1,30,000 के करीब हो गई है। महोदय, इस सदन के भी दो सम्मानित सदस्य चार्टर्ड एकाउंटेंट हैं- सौभाग्य से आप, पदासीन उपसभापति महोदय, भी सीए हैं तथा तेलुगु देशम के श्री सी. रामचन्द्रैय्या जी भी चार्टर्ड एकाउंटेंट हैं। महोदय, प्रति वर्ष चार्टर्ड एकाउंटेंट का एक्जाम देकर हमारे देश में 7-8 हजार बच्चे इसकी परीक्षा पास करते हैं और तीन लाख से ज्यादा बच्चे इस चार्टर्ड एकाउंटेंट की पढ़ाई कर रहे हैं। इससे यह अंदाज लगाया जा सकता है कि इस पेशे का कितना विस्तार हुआ है। यही स्थिति कंपनी सेक्रेटरी तथा कॉस्ट एंड वर्कस अकाउंटेंट की भी है।

ये तीनों विधेयक अपने आपमें महत्वपूर्ण हैं, लेकिन मैं सबसे पहले चार्टर्ड एकाउंटेंट बिल के सम्बन्ध में अपनी राय रखना चाहूंगा। संशोधित विधेयक में जो संशोधन दिए गए हैं, मैं उसका विरोधी नहीं हूं, परन्तु संशोधन ऐसा होना चाहिए, जिससे चार्टर्ड एकाउंटेंट जैसे महत्वपूर्ण पेशे की स्वतंत्रता बनी रहे, इस पेशे में लगे प्रोफेशनल्स का आत्म-सम्मान बना रहे तथा सरकार का हस्तक्षेप कम-से-कम हो। यहां याद रखने की जरूरत है कि इंस्टीट्यूट ऑफ चार्टर्ड एकाउंटेंट एक महत्वपूर्ण संस्थान है, जिसके संचालन के लिए संसद ने कई कायदे-कानून बनाए हैं, लेकिन इसे एक सरकारी संस्था की तरह नहीं चलाया जा सकता है, क्योंकि इसके सदस्य ऐसे प्रोफेशनल्स हैं, जो कड़ी परीक्षा पास करने के बाद सीए बने हैं तथा अपनी जिम्मेदारियां समझते हैं।

महोदय, विधेयक का प्रारूप तैयार करते समय एसोचैम, सीआईआई तथा इंस्टीट्यूट ऑफ चार्टर्ड एकाउंटेंस से उनकी राय मांगी गई थी। लेकिन ऐसा लगता है कि अन्तिम मसविदा तैयार करते समय उनकी कुछ महत्वपूर्ण राय को नजरअंदाज कर दिया गया। इसी वजह से विधेयक में कई ऐसी बातें आईं, जो उचित नहीं हैं। उदाहरण के लिए, इंस्टीट्यूट की परिषद् के कार्यकाल का प्रश्न है। वर्तमान में इंस्टीट्यूट की परिषद् का कार्यकाल 3 वर्ष का है, इंस्टीट्यूट ने इसे बढ़ाकर 4 वर्ष करने का अनुरोध किया था, ताकि काम की निरन्तरता, कंटीन्यूटी बनी रहे। एनडीए द्वारा प्रस्तुत संशोधन विधेयक में परिषद् का कार्यकाल 4 वर्ष किया गया था, लेकिन अब सरकार ने

इसे 3 वर्ष कर दिया है यानी यथा स्थिति बनी रहेगी। संसदीय स्थायी समिति भी 4 वर्ष के कार्यकाल से सहमत थी, फिर भी इस बात पर ध्यान नहीं दिया गया। इसलिए मंत्री महोदय, से मेरा सुझाव होगा कि परिषद् की कालावधि 4 वर्ष की जाए। ऐसा होने पर परिषद् दीर्घकालीन कार्यक्रम बना सकेगी और उन्हें तरीके से लागू कर सकेगी।

महोदय, इस विधेयक के विभिन्न प्रावधानों को लागू करने के लिए परिषद् द्वारा कई तकनीकी समितियों का गठन किया जाता है। मूल विधेयक में यह प्रावधान था कि परिषद् द्वारा गठित समितियों के निर्वाचित सदस्य परिषद् की सहमति से अपनी समिति में इंस्टीट्यूट के कुछ सद्स्यों को शामिल कर सकते हैं, जिन्हें निर्वाचित सदस्य के समान अधिकार प्राप्त होंगे। इन को-ऑप्टेड सदस्यों की संख्या समिति की कुल संख्या के दो-तिहाई से अधिक नहीं होगी। अब जो संशोधन इस बिल के द्वारा किया जा रहा है, उसमें को-ऑप्टेड सदस्यों की सीमा दो-तिहाई से घटा कर एक-तिहाई कर दी गई है। इस संशोधन की कोई आवश्यकता नहीं थी, क्योंकि विशेषज्ञों तथा इंस्टीट्यूट का मानना है कि पहले जो सिस्टम था, वह अच्छी तरह काम कर रहा था और इसमें फेरबदल की कोई आवश्यकता नहीं थी। महोदय, इस संशोधन का सबसे बड़ा नुकसान यह होगा कि समिति के कार्यकलापों में इंस्टीट्यूट के सदस्यों तथा बाहर के विशेषज्ञों की भागीदारी कम हो जाएगी। इंस्टीट्यूट के पास बहुत सारे सदस्य ऐसे हैं, जो चुनाव में भाग नहीं लेना चाहते। उनमें अनेक विशेषज्ञ और अलग-अलग मामलों के जानकार भी हैं। इनकी कुशलता का लाभ तभी उठाया जा सकता है, जब इन्हें समितियों में सहयोजित या मनोनीत किया जा सके। इन की संख्या कम कर देने से निर्वाचित सदस्यों के अतिरिक्त अन्य सदस्यों की भागीदारी कम हो जाएगी जिसका विपरीत प्रभाव इंस्टीट्यूट के कामकाज पर पड़ेगा। इसलिए मेरा सुझाव है कि संशोधित विधेयक की धारा 14 के उपबंध 2 को ज्यों-का-त्यों रखा जाए। महोदय, यहां यह बताना आवश्यक है कि इंस्टीट्यूट ऑफ चार्टर्ड अकाउंटेंट ने पहले की धारा को कायम रखने का सुझाव दिया था। दुसरी बात इसी से संबंधित यह है कि समितियों में मनोनयन के द्वारा शामिल किए जाने वाले सदस्यों के बारे में यह अनिवार्य नहीं होना चाहिए कि वह इंस्टीट्यूट के सदस्य हों यानी इंस्टीट्यूट के बाहर के विशेषज्ञों को भी सहयोजित करने की छूठ हो। उदाहरण के लिए सी.बी.डी.टी, आई.आर.डी.ए. के अध्यक्ष, राष्ट्रयकृत बैंकों के अध्यक्ष अथवा प्रमुख कंपनियों के प्रबंध निदेशक, रिटायर्ड हाईकोर्ट के जज तथा "सेबी" के प्रतिनिधि इन समितियों के सदस्य के रूप में चार्टर्ड अकाउंटेंट इंस्टीट्यूट में महत्वपूर्ण योगदान कर सकते हैं। इसमें संभवतः इंस्टीट्यूट को एतराज हो सकता है कि बाहर के सदस्यों को परिषद की समितियों में क्यों शामिल किया जाए। मेरी जानकारी यह है कि इंस्टीट्यूट ऑफ चार्टर्ड अकाउंटेंट यानी आई.सी.ए.आई. ने खुद अनुरोध किया है कि समितियों/बोर्डों में ऐसे विशेषज्ञों को सहयोजित किए जाने की छूट हो जो समिति से संबंधित विषयों के जानकार हों भले ही वे इंस्टीटयूट के सदस्य हों या नहीं। जब इंस्टीट्यूट की यह राय है तो फिर सरकार को इसमें कोई एतराज नहीं होना चाहिए।

उपसभापति महोदय, मैं आपके माध्यम से सदन का ध्यान संशोधन विधेयक के एक अन्य प्रावधान की ओर भी आकर्षित करना चाहता हूं। वह मूल विधेयक की धारा 18, जो परिषद के वित्तीय मामलों से संबंधित है, मैं संशोधन का प्रस्ताव है। संशोधित प्रावधान में कहा गया है कि यदि परिषद के ध्यान में यह बात आती है कि परिषद का वित्तीय लेखा-जोखा सही तस्वीर पेश नहीं करता तो परिषद स्पेशल ऑडिट यानी विशेष लेखा परीक्षा करा सकती है। इसके अतिरिक्त यदि यह बात केन्द्र सरकार के ध्यान में आती है कि परिषद का अकाउंट सही वित्तीय स्थिति सामने नहीं रखता है तो वह परिषद को सूचित कर सकती है। ऐसी स्थिति में परिषद ऑडिट कर सकती है और स्पेशल ऑडिट कराने के बाद वह उठाए गए कदमों की जानकारी केन्द्र सरकार को दे। यह एक नया प्रावधान है जोकि मूल विधेयक में नहीं था। सवाल यह है कि इसकी आवश्यकता क्यों पड़ी? क्या सरकार को यह लगता है कि चार्टर्ड अकाउंटेंट जैसी संस्था खुद अपना अकाउंट सही ढंग से ऑडिट नहीं कर सकती या ऐसी कोई मामला केन्द्र सरकार के सामने आया है? इंस्टीट्यूट ऑफ चार्टर्ड अकाउंटेंट ऑफ इंडिया एक सम्मानित संस्था है जो कि ऑडिट के मामले में मानक स्थापित करती है और देशभर में फैले अपने सदस्यों के कामकाज पर नजर रखती है। यदि खुद परिषद के अकाउंट्स के स्पेशल ऑडिट का प्रावधान किया जाए तो इसकी प्रतिष्ठा में कमी आएगी और देशभर में गलत संदेश जाएगा। फिर परिषद में सरकार द्वारा मनोनीत 6 प्रतिनिधि होते हैं। खुद परिषद एक निर्वाचित इकाई है जो किसी भी तरह की स्थिति का समाधान करने में सक्षम है। यदि परिषद के अकाउंट्स से संबंधित कोई भी बात ध्यान में आती है तो इससे निपटने का दायित्व परिषद् पर छोड़ दिया जाना चाहिए। इसके अलावा जो प्रस्तावित प्रावधान है, उसका इस्तेमाल केन्द्र सरकार हमेशा एक लटकती हुई तलवार के रूप में कर सकती है। अत: मेरा सुझाव होगा कि इस संबंध में यथा-स्थिति बनायी रखी जानी चाहिए।

महोदय, एक और संशोधन जो नए बिल में किया गया है, उस पर मैं मंत्री जी का ध्यान आकृष्ट करना चाहूंगा जो कि विधेयक की मूल-धारा 18 में ही है। यह प्रावधान मूल विधेयक में नहीं था। परिषद का annual budget तथा अपना उचित लेखा तथा ऑडिट सरकार द्वारा निर्धारित मापदंडों पर किया जाएगा, ऐसा इस विधेयक में है। महोदय, यह बड़ा ही हास्यास्पद लगता है। एक ओर सरकार जब कोई नया अकाउंटिंग सिस्टम लाती है और उससे संबंधित कोई कानून बनाती है तो वह कंपनी लॉ बोर्ड तथा इस इंस्टीट्यूट के सुझाव को प्राप्तकर अकाउंटिंग पॉलिसी बनाती है। वहीं इस इंस्टीट्यूट की अकाउंटिंग पॉलिसी, ऑडिट को समय-समय पर सरकार निर्धारित करे यह ठीक नहीं है। इसके लिए मंत्री महोदय से मेरा सुझाव है कि इस सम्बन्ध में भी वे यधास्थिति बनाए रखें।

महोदय, नेशनल एडवाइजरी कमेटी ऑफ अकाउंटिंग स्टैंडर्ड कंपनी एक्ट के अधीन इसी मंत्रालय से सम्बन्धित हैं इसका एक मतलब यह भी होता है कि जब भी वे नए अकाउंटिंग सिस्टम

को लाएं और कोई अकाउंटिंग सिस्टम लाना हो, तो वे इंस्टीट्यूट ऑफ चार्टर्ड अकाउन्टेंट से सलाह-मशविरा जरूर करें। इसलिए महोदय, मैं मंत्री महोदय से कहूंगा कि इस इंस्टीट्यूट की अकाउंटिंग पॉलिसी को थोपा न जाए और गवर्नमेंट बार-बार अपना दिशा-निर्देश न दे। यह इंस्टीट्यूट अपने आप में सक्षम है और काफी कुशल है और इसके अकाउंटिंग स्टैण्डर्ड को पूरे देश ने सराहा है।

इस संशोधन विधेयक में एक और कमी जो है, वह अनुशासन समिति के प्रावधानों में की गई फेरबदल की है। अनुशासन बोर्ड तथा निदेशक (अनुशासन) को कुछ मामले में सिविल कोर्ट के अधिकार प्रदान किए गए हैं। एक तो निदेशक (अनुशासन) का नया पद बनाया गया है। निदेशक (अनुशासन) इंस्टीट्यूट का ही एक अधिकारी होता है, जिसका मुख्य कार्य अनुशासन-सम्बन्धी शिकायतों को प्रोसैस करना होगा। इसलिए जो भी अधिकार निहित हों, इंस्टीट्यूट की परिषद तथा अनुशासन समिति में होना चाहिए। किसी एक व्यक्ति की अगर यह अधिकार दिया जाएगा तो यह ठीक नहीं होगा। इसलिए बेहतर यह होगा कि प्रक्रिया-सम्बन्धी अधिकार या सिविल कोर्ट जैसे अधिकार अनुशासन समिति में ही निहित हों, निदेशक में नहीं। इस पर भी ध्यान दिया जाना आवश्यक है।

उपसभापति महोदय, चार्टर्ड अकाउन्टेंट का पेशा डॉक्टरों, अधिवक्ताओं की तरह ही एक सम्मानित प्रोफेशनल कार्य है। इनके लिए जो आचार संहिता है, उसमें अपना विज्ञापन करना या कार्य के लिए पैरवी करना ठीक नहीं माना जाता और यह होना भी नहीं चाहिए। यह एक प्रोफेशन है, व्यापार नहीं। जो अपने प्रोफेशन में माहिर है, उनकी ख्याति होती है और क्लायंट्स उनके पास खुद आते हैं। यही स्थिति रहनी चाहिए। अपनी प्रतिभा या अपनी सेवा के स्तर की जानकारी देना अनुचित नहीं है। इसकी छूट होनी चाहिए, पर यह कार्य बहुत संतुलित और मर्यादित तरीके से होना चाहिए और आचार संहिता के अन्दर होना चाहिए। इस संशोधन विधेयक में प्रोफेशनल कार्यों का विज्ञापन करने की पूरी छूट दी गई है। इसका एक असर तो यह होगा कि जो सदस्य या फर्म अधिक सुविधा-सम्पन्न हैं या जो विज्ञापन पर अधिक खर्च कर सकते हैं, वे क्लायंट को अधिक प्रभावित कर लेंगे और जो लोग अपेक्षाकृत कम साधन-सम्पन्न हैं, वे बहुत पीछे रह जाएंगे। मैं इस बात को मानता हूं कि वैश्वीकरण के इस दौर में और प्रतिस्पर्धा के कारण अपने बारे में जानकारी देने का अधिकार होना चाहिए, लेकिन मर्यादा और आचार संहिता के अंदर। इसलिए इस मामले में मापदंड स्थापित करने का काम इंस्टीट्यूट पर छोड़ दिया जाना चाहिए।

उपसभापति महोदय, यह सच है कि इंस्टीट्यूट ऑफ अकाउन्टेंट्स संसद के एक अधिनियम के तहत गठित की गई है और संसद तथा सरकार के प्रति इसकी जवाबदेही है, लेकिन साथ ही यह एक प्रोफेशनल संगठन है। इसलिए सरकार का हस्तक्षेप तथा नियंत्रण कम-से-कम होना चाहिए। हम अपने अनुभव से जानते हैं कि जिस संस्थान में सरकार का हस्तक्षेप अधिक

होता है. उसकी कार्यकुशलता उतनी ही कम हो जाती है। मैं इस बात को भी मानता हूं कि हाल के वर्षों में चार्टर्ड अकाउन्टेंट्स के कार्यों में कुछ गिरावट आई है और कुछ बड़े घोटालों में सी.ए.की भुमिका भी देखने को मिली है। यह दुर्भाग्यपुर्ण स्थिति है। वर्तमान संशोदन विधेयक की आवश्यकता भी इसी के लिए पड़ी । अनुशासन औऱ नियंत्रण जरूरी है, पर यह ऊपर से थोपा हुआ नहीं होना चाहिए अन्याथा इसका असर नहीं होगा। किसी प्रोफेशनल को अनावश्यक कानुनी तथा प्रक्रिया- सम्पन्धी पेचीदगीयों में नहीं उलझाया जाना चाहिए । सथा ही मैं चार्टर्ड आकाउन्टेंट के सदस्यों तथा देश भर में चार्टर्ड अकाउन्टेंट्स से भी अपेक्षा करुंगा कि वे अपना उच्च प्रोफेशनल स्तर बनाएं रखें। जो सदस्य विर्धारित मापदंर्डो से हट जाते हैं, उनके खिलाफ कार्यवाई भी हो । पहले अनुशासन की कार्रवाई में बहुत समय लग जाता था और नियम भी ढीले थे। संशोधन विधेयक में अनुशाशनात्मक कार्रवाई के निश्चित मापदंड निर्धारित किए गए हैं। अंत मैं, इस विधेयक के लिए मैं सिर्फ इतना कहना चाहूंगा कि आर्थिक उदारीकरण तथा वैश्वीकरण के इस दौर में चार्टर्ड एकाउंटेंट्स की भुमिका बहुत महत्वपुर्ण हो गई है, उनके कार्य करने का दायरा भी बहुत बढ़ गया है और वैट लागूं होने के बाद तो उन पर आधिक जिम्मेदारी आ गई है।

महोदय, हमारे देश के चार्टर्ड एकाउंटेंट्स प्रतिभा और कार्यकुशलता के मामेल में किसी से पीछे नहीं, हैं, लेकिन आज के इस दौर में प्रतिस्पर्धा में पहले से अधिक मुकाबले बढ़ गए हैं। हम अपने अनुभव से जानते हैं कि जब प्रतिस्पर्धा बहुत जाती है, तो उसके साथ ही समझौते की भावना भी बढ़ने लगती है। जब किसी प्रोफेशन का स्तर कम होने लगता है, तभी सख्त कायदे-कानुनों की जरूरत पड़ती है औऱ सरकारी हस्तक्षेप भी बढ़ता है। चार्टर्ड एकाउंटेंट्स के स्तर में भले ही कमी आई हो, मगर हमारा यह मानना है कि वे अपनी समस्याओं का सामना करने के लिए सक्षम है।

महोदय, यहां पर एक और विषय की ओर मैं माननीय मंत्री महोदय का ध्यान आकृष्ट करना चाहूंगा कि हमारे चार्टर्ड एकाउंटेंट्स को जो विदशों में मान्यता है, वह बहुत कम देशों में है। इस वैश्वीकरण के दौर में करीब दस हज़ार से अधिक भारतीय सी.ए. विश्य के कई देशों में अपनी शैक्षणिक योग्यता के आधार पर, जो उनका प्रोफेशन है एकाउंटेंट्स, उसमें विभिन्न क्षेत्रों में अपनी काबलियत स्थापित कर चुके हैं। यह वे भारतीय सी.ए. हैं, जो अपने बलबुते पर वहां पर कार्य कर रहे हैं, लेकिन वे वहां पर एकाउंटेंट कहलाते हैं, चार्टर्ड एकाउंटेंट नहीं कहलाते हैं। इसका विपरीत अंतर्राष्ट्रीय स्तर पर WTO स्तर पर इस योग्यता को मान्यता मिलने में बहुत कठिनाइयां आ रही है, क्योंकि विकासित देश इस बारे में पुर्णतया उदासीन हैं, जबकि भारत सरकार तथा इंस्टीटुयूट ऑफ चार्टर्ड एकाउंटेंट्स ऑफ इंडिया इस बारे में निरंतर प्रयास कर रहे हैं, तदपि इसमें सफलता नहीं मिल पा रही है। यदि भारतीय चार्टर्ड एकाउंटेंट की शैक्षणिक योग्यता को पुर्ण मान्यता मिल जाए, तो हमारे चार्टर्ड एकाउंटेंट्स विदेशों में भारत की साख को और आगे

बढ़ाएंगे और जिस तरह आज आई.टी. की फील्ड में हमारे नौजवान विश्व में अपना सिक्का जमाए हुए हैं, उसी प्रकार चार्टर्ड एकाउंटेंट भी एकाउंटिंग के क्षेत्र में भारत का परचम लहराएंगे, लेकिन इसमें कई कठिनाइयां आ रही हैं, जैसे हमारे सी.ए. को दूसरे देशों का वीसा नहीं मिलता है। इस सबसे ऐसा लगता है कि हमारे सी.ए. विश्व बाजार में प्रतिस्पर्धा के लिए पूर्ण सक्षम हैं, लेकिन दूसरे देश नहीं चाहते कि भारत के चार्टर्ड एकाउंटेंट वहां जाकर अपनी काबलियत, कार्यक्षमता दिखाएं। यह दो देशों के बीच के म्युचुअल रिकॉगनिशन का मामला है अभी शायद मलेशिय से यह पैक्ट है, वहां पर हमारे चार्टर्ड एकाउंटेंट्स कार्य कर सकते हैं। मैं चाहूंगा कि सरकार एप्रोप्रिएट अथेरिटीज से संपर्क कर तथा कॉमर्स मिनिस्टरी तथा कंपनी अफेयर्स मंत्रालय इसमें दिलचस्पी ले और हमारे चार्टर्ड एकाउंटेंट्स को भी दूसरे देशों में कार्य करने का मौका दे।

महोदय, इसमें एक और उदाहरण मैं देना चाहूंगा कि आज भी हमारे देश के कई ऐसे चार्टर्ड एकाउंटेंट्स हैं, जो इंग्लैंड के चार्टर्ड एकाउंटेंट्स से उनका काम बी.पी.ओ. के माध्यम से, कॉल सेंटर्स के माध्यम से भारत में लाते हैं और उनके एकाउंट्स को ऑडिट करके वापस इंग्लैंड भेज देते हैं। वहां के जो चार्टर्ड एकाउंटेंट्स हैं, वे सिर्फ मोहर लगा देते हैं और साइन कर देते हैं, जिससे वह एकाउंट ऑडिट हो जाता है। कहने का मतलब यह है कि इंग्लैंड जैसे देश में हमारे एकाउंटिंग सिस्टम को तो स्विकार कर रहे हैं, लेकिन हमारे चार्टर्ड एकाउंटेंट्स को वे स्विकार नहीं कर रहे हैं, जिसका खमियाजा हमें यह भुगतना पड़ता है कि जिस कार्य के लिए, जिस एकाउंटिंग के लिए, बी.पी.ओ. की मार्फत एक फर्म की ऑडिट के लिए हमारे चार्टर्ड एकाउंटेंट को 1000 से 1200 पाउंड मिलते हैं, उसी काम के लिए वहां के चार्टर्ड एकाउंटेंट्स अगर अपनी स्टांप लगा देते हैं और साइन कर देते हैं तो उनको 3000 पाउंड से अधिक मिलते हैं। मैं सरकार से यह गुजारिश करूंगा कि हमारे चार्टर्ड एकाउंटेंट्स को दूसरे देशों में भी मान्यता मिले और इसके लिए दूसरे देशों से रेसिप्रोकल अरेंजमेंट हो इसकी व्यवस्था की जानी चाहिए।

महोदय, इस संशोधन विधेयक में कुछ अच्छे प्रावधान हैं। जो कमियां हैं, उनकी ओर मैंने मंत्री महोदय का ध्यान आकृष्ट किया है और में आशा करता हूं कि इन कमियों को दूर किया जाएगा।

चार्टर्ड एकाउंटेंट विधेयक के अलावा जो और दो अन्य विधेयक हैं, जिनमें से एक विधेयक The Cost and Works Accountants संशोधन विधेयक, 2005 है। आज इस संस्थान का मुख्य कार्यालय कोलकाता, पश्चिमी बंगाल में है और आज पूरे देश में इसके सदस्यों की संख्या 37000 के करीब है और देश भर में इनके स्टूडेंट्स की संख्या तकरीबन 1,30,000 है। काफी पहले Cost and Works Accountants की स्थापना इंग्लैंड में हुई थी और हमारे देश ने एक कानून लाकर 1959 में इसे इस संसद से पास करवाया गया था। 45 वर्षों बाद इसके प्रावधानों को और भी दुरुस्त करने की आवश्यकता हुई और स्टेंडिंग कमेटी ने इस बारे

में जो सुझाव दिए, थे, उन्हें इस संशोधन विधेयक में लाया गया है मैं इसका स्वागत करता हूं। Cost and Works Accountants ने अपना नाम बदलकर इसे Institute of Cost and Management Accountants करने की मांग कई वर्षों से सरकार के समक्ष रखी थी। उनका कहना है कि पूरी दुनिया में मैनेजमेंट एकाउंटेंट की ही उपाधि दी जाती है और उन्हें इसी नाम से जाना जाता है। हमारे बगल के देशों, जैसे पाकिस्तान, बंगलादेश और श्रीलंका, में भी यही नाम इन्हें दिया गया है। सिर्फ हमारे देश में इन्हें Cost and Works Accountants कहा जाता है स्टेंडिंग कमेटी ने भी अपनी रिकमेंडेशंस में नाम बदलने की स्वीकृति दी है इसलिए हमें दुनिया में प्रचलित मापदंडों को अपनाना चाहिए, ताकि हम अलग-थलग नहीं पड़ें। महोदय, इस संबंध में मुझ से कुछ चार्टर्ड एकाउंटेंट्स मिलने आए थे और उन्होंने नाम परिवर्तन का विरोध किया था, जिसके आधार पर मैंने मंत्री महोदय को एक पत्र लिखा था। परन्तु, अब इस बिल के माध्यम से तथा स्टेंडिंग कमेटी के सुझावों को पढ़ने के बाद नाम बदलने के पीछे के तर्क पर विचार किया जाना चाहिए। यदि पूरी दूनिया में इन्हें Management Accountants के नाम से जाना जाता है तो फिर हमारे यहां भी ऐसा ही होना चाहिए। अतः मैं इस संशोधन का भी समर्थन करता हूं।

महोदय, अंत में The Company Secretaries संशोधन बिल,2005 के संबंध में मैं कुछ कहना चाहूंगा। यह कानून, Company Secretaries Act, 1980 में संसद द्वारा पारित किया गया था और पिछले 25 वर्षों में आए परिवर्तन का असर इस प्रोफेशन पर भी पड़ा है। आज इसके सदस्यों की संख्या हमारे देश में करीब 16,000 है और प्रति वर्ष करीबन 150,200 छात्र इसकी परीक्षा में उत्तीर्ण हो पाते हैं और करीब 15 से 20 हजार छात्र इसकी शिक्षा प्राप्त कर रहे हैं। स्टेंडिंग कमेटी के सुझावों का भी इस बिल में समावेश किया गया है। मैं उनकी धाराओं के बारे में विस्तार से नहीं जाना चाहता, लेकिन फिर भी यही बात कहूंगा कि प्रोफेशनल संस्थान के काम-काज में सरकार का नियंत्रण कम से कम होना चाहिए।

महोदय, मैं एक और मामले पर माननीय मंत्री जी का ध्यान आकृष्ट करना चाहूंगा। काफी पहले एक विषय इस सदन में भी उठा था कि Institute of Chartered Accountants of India के लोग समय-समय पर हम सांसदों से मिलते रहते हैं और वे अपने सुझाव देते हैं, लेकिन आप ही के विभाग के एक ज्वाइंट सैक्रेटरी ने उन्हें एक पत्र लिखा, जिसमें Institute of Chartered Accountants of India को यह हिदायत दी गई कि आप सांसदों के पास अपनी शिकायतें लेकर नहीं जाएं। हालांकि बाद में जब हम सांसदों ने आपको पत्र लिखा तो उसी ज्वाइंट सैक्रेटरी ने अपने उस पत्र को वापिस ले लिया था। मेरा कहना है कि इस प्रकार का पत्र लिखा ही नहीं चाहए था, जिसे बाद में हम सबके दबाव के कारण वापिस लिया गया। इस प्रकार की अगर चिट्ठियां एक ज्वाइंट सैक्रेट्री के माध्यम से जाती हैं तो इससे यह पता लगता है कि इस इंस्टिट्यूट में ब्यूरोक्रेसी किस तरह से हावी होना चाहती है।

महोदय, इन्हीं शब्दों के साथ, मैं अपने द्वारा सुझाए गए संशोधनों के साथ इन तीनों विधेयकों को पारित किए जाने का समर्थन करता हूं। धन्यवाद।

SHRI R.P. GOENKA (Rajasthan): Sir, I rise to support these Bills. The previous speaker gave many suggestions and I was trying to find out whether I have followed them or not. It is for the Minister to reply to them, and not for me. But I was trying to understand the logic behind them. All the three Institutes are well known and well established and the Government is bringing these amendments to make them more effective. The previous speaker asked as to why the accounts are being scrutinised or audited. I would like to remind him that, on one occasion, the funds of the institute were diverted to some university. Such things should not take place. The Chartered Accountants are responsible people. So, such things should not happen. Of course, I agree with the previous speaker on the question of Naresh Chandra Committee's recommendations. What has been followed and what has not been followed, perhaps, the Minister would touch those points. Up-till now, the experience of outside experts was not well taken. With these amendments, we will have the advantage of various experts so that we can be more effective.

On the question of quality review, we are making it more effective so that we can keep reviewing our own actions. What is wrong with that? Then comes the question of three years or four years term for a member on the board. We are forgetting that a member can be elected for three consecutive terms, which make it nine years. Mr. Deputy Chairman, you don't expect to be sitting there for 20 years. *(Interruptions)...*

SHRI JAIRAM RAMESH(Andhra Pradesh): Somebody sat there for 18 years. *(Interruptions)...*

SHRI V. NARYANASAMY(Pondicherry): Somebody sat there for 18 years. *(Interruptions)...*

श्री एस०एस० अहलुवालिया (**झारखंड**): आप इन्हें तंग क्यों कर रहे हो, इतने सीनियर मैम्बर बोल रहे हैं।

श्री आर.पी. गोयनका : आप लोग चुप हैं तो ये लोग बोलने लगे।

I do not wish to make a comment on 18 years. That is far too long a period. This much I can say. But I do not want to make a comment on that.

Previously, it was between the elected members and the nominated members. They were controlling it. That is not good. We have to bring a change so that the nominated members are less. That is the basic criteria. Why should we have a few elected members? What they do is they nominate more members in order to get their own people. This is not proper.

Sir, I have already talked about transfer of funds to the university. Therefore, accountability is very important. I compliment the Government for coming forward with this amendment. Now, nobody will be able to take advantage of it. The previous speaker mentioned about co-option. We had discussed this in the Standing Committee. We took strong exception to it. We said that co-option should be less and elected members should be more. That is what is being done. It is not purely the wish of the Department. The Standing Committee has recommended very strongly about it. Correct?

SHRI JAIRAM RAMESH: A hundred percent. *(Interruptions).* They went against the Ministry's recommendation. They wanted their own control... *(Interruptions).*

SHRI R.P GOENKA: Sir, I am not associating with the statement of Shri Jairam Ramesh. *(Interruptions).*

SHRI V. NARAYANASAMY: Do you agree that they should have autonomous status?

SHRI R.P. GOENKA: Yes.

PROF. P.J. KURIAN (Kerala): Sir, Mr. Jairam Ramesh sitting there is doing a mischief. *(Interruptions).*

MR. DEPUTY CHAIRMAN: I will ask to go to his seat.

SHRI R.P. GOENKA: Whether Mr. Jairam Ramesh is doing it to make it more lively, I don not know.

श्री राजीव शुक्ल (उत्तर प्रदेश) **:** सर, यह तय हो गया है कि इनकी स्पीच इन्होंने नहीं लिखी है।

श्री आर.पी.गोयनका : यह तो मेरी स्पीच ही नहीं है। I wish I could have come to you.

Sir, I would like to make one criticism. There was a Naresh Chandra

Committee about which the previous speaker has just now mentioned. Due to paucity of my own knowledge, I could not make out from your amendments as to what recoomendations he made and what you have accepted. The Committee made very good recommendations. The Naresh Chandra Committee did a very good work. We should, at least, know that.

Now I would like to make one suggestion. In this regime of WTO, are you sure that by these amendments the professional bodies would be able to bring down their total cost? I would request the hon. Minister to reply to this point.

There was always a criticism that discipline and disciplinary action of the professionals are not implemented fully. We should make sure through our nominated Members that discipline prevails, whether we like it or not. Sir, fifty years ago, in 1949, originally, the Chartered Accountants Act had been passed. I compliment the hon. Minister for bringing forward these amendments. I compliment the Minister for doing an excellent job. With these words, I support these three Bills and wish that all other Members would also extend their support.

SHRI PRASANTA CHATTER JEE (West Bengal): Sir, I support all the three Bills, namely, the Chartered Accountants (Amendment) Bill, 2005, the Cost and Works Accountants (Amendment) Bill, 2005 and the Company Secretaries (Amendment) Bill, 2005. I agree with their objectives, in general. I will suggest some amendments also. All the three Bills of 2005 are amended Bills of 2003. They were introduced in the Rajya Sabha and, thereafter, referred to the Standing Committee. All the Bills have come in a revised form. But some new issues, which were absent in the 2003 Bills, have been included and, so, those issues had not been discussed in the Standing Committee. I will come forward with some of the points later. Some amendments have also been circulated here. The Chartered Accountants Act was enacted in 1949 and, since then, the membership has increased from a mere 1600 to 1,30,000. We all know that the number of students has been increasing. The whole environment is changing. Even the United Nations held a convention in 1995. This has worldwide importance. Sir, the profession of C.A. is today interlinked with the economy of the country. And the economy has changed a lot since 1990. Sir, in view of the large-scale scams, cases of bribery, large-scale corruption, accumulation of black money which is running a

parallel ecomony, the role of audit, financial cheking etc. have great importance. The JPC while probing the Stock Market Scams in 1992 and in 2001 observed and commented on the slow disciplinary proceedings against the erring members of the Institute. The JPC have also stated that the auditors have great responsibilities—if they become a part of the malaise—thus checks and balances would collapse. They have also observed like that. The JPC have further observed that individual cases of financial fraud in themselves may not constitute a scam, but persistent and pervasive misappropriation of public funds falling under the purview of statutory regulations and involving issues of governance become a scam. The role of financial institutions, regulatory bodies besides the Chartered Accountants are also important. They observed like that.

Now, Sir, while dealing with the Bill in particular and the amendment, we must keep in mind that the Institute enjoys very special autonomy and that autonomy should not be disturbed, or, taken away in the name of strengthening the regulatory process.

Sir, on page numbers 6 and 7, though the Minister has circulated a revised form while dealing with the special audit, incorporated on page number 7, it was not in 2003 Bill, and thereby not discussed in the Standing Committee, thereby. But this has been included in 2005 Bill. Why? The Council is an elected body, and it has the Government nominees in it. It should be left to the Council to deal with extreme contigency, if any. The Institute has a mechanism of internal audit as well as audit committee within the Institute. We should not take any steps, Sir, to interfere with the autonomy of such an Institute. Though the Minister has just now circulated a paper which states, "The Council may wherever, in appropriate case, a special audit or take such other action as it considers necessary and shall furnish." He has suggested substitution of these words. But, in my opinion, Sir, this is not necessary, the Clause on special audit, as on page number 7 be deleted.

Sir, on page number 6, Clause 15, it has been written. "The Bill requires the Institute to keep proper accounts, preparation of budget and preparation of account in the manner to be prescribed." It was in the 2003 Bill. So, it was not discussed in the Standing Committee also. Now, it has come.

As I observe, Sir, this Institute is a creation of our Parliament, and why should this provision be there? So, in such manner some amendment

has been placed here. I support that amendment. My suggestion is, this clause should be deleted from the Bill.

Sir, on page number 9, while dealing with the constitution of the Appellate Authority 22A(1) of the Chartered Accountant Act says that it will be headed by a person who is, or, has been a judge of High Court to deal with appeal arising from decision of disciplinary authorities. The 22A(1)b further says, "Two members to be appointed from amongst the persons who have been members of the Council for, at least, one full term and who is not a sitting member of the Council." The Central Government will appoint them. My point is that, Sir, the Central Government can constitute it, but from amongst a panel of five, and that to be prepared by the Council for that purpose. So, who have been members of the Council for, at least one full term, or, who is a sitting member of the Council? So, my suggestion is that the Council has the liberty to form a panel of five, and from amongst that panel, two will be appointed by the Central Government as members of the Council for, at least, one full term, and who is not a sitting member of the Council. So, my suggestion is that this should not be totally taken away from the Council. So, a revised orovision should be there. The appellate authority is a very important body. It will deal with remedial measures. Even in section C, why should not other members be selected by the Central Government in consultation with the Council? If you could add 'in consultation with the Council the Central Government will select,' it will serve the purpose. Then, Sir, Section 30 of the principal Act, in sub-section, the words "and the copy of such regulation shall be sent to each member of the institute" have been omitted. Why, Sir? What was the harm in keeping "that a copy of the regulation to be circulated to each member of the institute"?

My final point of observation is that the institutes enjoy a very special status, a special autonomy and that should not be disturbed. But in spite of that some regulatory measures will have to be taken, some regulatory clauses will have to be enacted.

With these few words, I support all these Bills with certain modifications. Thank you.

SHRI C. PERUMAL (Tamil Nadu): Mr. Deputy Chairman, Sir, I wish to express my views on the Bill. This is an important aspect considering economic liberalisation. Now that there is globalisation in every field, the

importance of Cost Accountants, Chartered Accountants and Company Secretaries has increased. Even as multi-national companies compete with each other in establishing business in our country, I think, these categories of persons are an important link.

Now that new vista is open like Business Process Outsourcing, Knowledge Process Outsourcing, the Cost Accountants should be given training in this sector also. They should also be trained in the new regulations of World Trade Organisation. The awareness of the country in the new patent regime is very poor compared to China and other developed countries. In India only, 17,000 patent applications have been filed against more than one lakh patent applications have been filed in China. Therefore, I think that these categories of persons should be trained about patent regime also.

There are several companies which cheat general public and the Chartered Accountants should be careful about them. Now thai our economy is open, Cost Accountants, etc. may come from abroad for practice here. Our men should excel themselves in their fields to meet any challenge or competition.

Last but not the least, the Institutes of Cost Accountants, Chartered Accountants and Company Secretaries may enter into agreements with colleges and other institutions for imparting basic training to students in thisfield so as to prepare them to meet global challenges.

With these words, I thank you for giving me an opportunity to participate in this discussion.

SHRI C. RAMACHANDRAIAH: Sir, I congratulate the Minister for bringing these three Bills—The Chartered Accountants of India (Amendment) Bill, 2005; The Cost and Works Accountants (Amendment) Bill, 2005; and, The Company Secretaries (Amendment) Bill, 2005. And I support these Bills subject to the amendments which I have introduced. Sir, the role of the regulator in this capital market is very, very important. There are other regulators also, like the RBI for banking, SEBI for capital market, and the Institution of Chartered Accountants of India for achieving the high excellence in accounting and auditing standards, etc.

Sir, one important aspect has to be taken into consideration—at any point of time no Government should lower the autonomy of the

institutions. It is very, very important and under the guise of making the Council more effective and more functional, we should not erode the autonomy or independence of the Institute. Sir, I expect the Government to be a watchdog, the egulator but not a bloodhound. I fully oppose some of the provisions that have been made in these Bills because they do not warrant their introduction and which ultimately erode the autonomy of the Institute. Sir, I would concentrate more on the Institute Chartered Accountants of India. It was constituted in 1949 when the Indian economy was being controlled by the State. Then this Institute itself had got very good autonomy. Now we have opened up the economy to the market forces. Liberalisation is taking place. We have become the champion of liberalisation and globalisation and such is the case that the autonomy of the professional institutes like the Institute of Chartered Accountants of India is very, very necessary. It is more relevant today than 1949. This is what I wanted to bring to the notice of the Government. Sir, this is more accountable because the scams are arising. The only reason is that the regulators are not accountable. If you erode the autonomy, you cannot make them more accountable. They will be functioning at the whims and fancies of the persons who are controlling from administrative offices. That should not happen. Sir, some Members have mentioned the stock market scam of 2002 and JPC's observations. Nowhere the role of auditors was pointed out. Nowhere! The only observation made by the JPC is that disciplinary cases are being disposed of with undue delay. The disciplinary mechanism has to be strengthened and the cases should be disposed of expeditiously. Sir, today the Institute has 1,30,000 members. When it was originally established it had got 1600 members. So, errors of commission may be there by some members. I cannot vouchsafe for the conduct of every member. No institute can do it. Nobody can do it. But, Sir, I want to refer to the JPC on banking scam of 1992. The JPC had identified 17 cases and the Janakiraman Committee, which was constituted exclusively to inquire into this, had identified 32 cases whereas the Institute of Chartered Accountants of India had ordered for an inquiry into 65 cases. Without any mention from anybody, the Institute itself had pointed out 62 cases and ordered for an inquiry. This is the independence and scrupulous the Council has got and how this Institute has been functioning. I wanted to bring it to the notice of the Minister. Sir, one of the provisions, which has been introduced in this Bill, is co-option. Sir, in order to carry out the purposes of the Act and in terms of the

provisions of the Act, the Council will form committees, has to form certain committees such as Accounting Standards Board, Auditing and Assurances Standards Boards, Review Committee, Financial Reporting Review Board, Corporate and Fiscal Loss Board and so many other Boards. It has to constitute all these committees. For the efficient functioning of these boards or committees, experience, expertise and excellence available in respective fields have to be roped in. The services of eminent persons in these disciplines have to be utilised. Sir, all elected members may not have that eminence in ail walks of life or in all disciplines. Sir, the services, the expertise and the wisdom of those persons have to be utilised, therefore, cooption is a must to utilise their services. Sir, the funniest thing is that the elected body should oppose for more nominations, for more cooption from outside. The elected body, that is, the Council should, oppose more cooption from out&ide the members. *....(Interruptions)...* Huge one. *...(Interruptions)...* But whereas in this case the Council itself wants two-third of the elected component to be nominated so that they can invite persons like those who have served in taxation, Central Board of Driect Taxes, Customs, IDBI, SBI Chairmen, Insurance companies Chairmen, etc. So, experience from so many companies and from so many disciplines has to be gained. The Council itself is asking for two-thirds cooption. I don't know why the Government wants to reduce it to one-third. At one point of time they want to increase the strength of the Council from 30 per cent to 40 per cent. It, actually, increases the expenditure of the institute. In this aspect, where the services of the outside members are necessary, the Government wants to reduce this cooption to one-third! It is totally unjustified. I moved an amendment to this. Earlier, it was two-thirds. The existing practice is that the Council can co-opt two-thirds of the members from outside, though they are not the members of the institute. The PAC has not made any recommendation in this regard. The PAC was very cautious. In the proposed Bill there is a provision for one-third cooption. So, my request to the hon. Minister is, this aspect has to be considered. I also moved an amendment in this respect. To make the Committees more effective, to achieve the objectives for which the Committees have been constituted and to make them function in a more effective manner two-thirds cooption is necessary.

Sir, one more provision has been made in this Bill. The provision says, 'in the manner preserved or in such manner as may be prescribed does not arise....' Sir, this is the institute to which we have given a mandate. As has been said by an hon. Member, it is the creation of an Act of Parliament. It has been given a mandate. It will guide the format in which accounts have to be presented. It will decide how accounts have to be formulated. It will guide the members as to how audit has to be conducted. It will guide the members how the defalcations or misappropriations have to be plugged. This body enjoys the international reputation. When such is the case, how will a person, sitting in the Department of Company Affairs, guide this institute and in what form the accounts have to be presented? Or, how the audit has to be done. It is ridiculous. It is highly ridiculous. This is one way to make inroad into the independence of the institute. This is one way to encroach upon the autonomy of the institute. We fully oppose these things. It is a very reputed institution in the world. It is the third biggest institute in the world with one-lakh-and-thirty-thousand members. One or two black sheep may be there. Some members may comit errors. That does not mean that the entire profession is wrong. Yesterday, we have seen some of the Members of Parliament taking money for putting questions in Parliament. That does not mean that the entire polity in this country is corrupt. We cannot generalise it. So, my request to the hon. Minister is, let us not encroach upon the wisdom of the institute and the members of the Council. Let them form their own form as to how it is to be formulated and how it is to be presented. In one particular sentence, I have seen the words, 'fair and actual.' That shows their wisdom. Can the accounts be actual? It is not a cash system that we are following. Some wisdom has prevailed on those people and they have introduced an amendment — actual fair. Sir, 'fair' is a wide embracing concept. It is not actual. We are following a different system of accounting. It is accrual system that we are following. When such is the system, a layman, at a glance, has to understand the financial position of the company in which he wants to invest. If that is the case, this aspect has to be taken into consideration. I am openly saying that it is an affront to the profession itself. It is degrading to the profession which enjoys the international reputation in the comity of nations. And, it pertains to special audit. The Council can call for special audit. Who has to do the audit? Will the Secretary, Department of Company Affairs, will go and do the audit? It has to be audited by the members of the institute. Then, why

should there be directions from the Government? These thirty members, who are elected from different parts of the country, are persons of eminence and character. And, we, sitting in the administration, are questioning their character! It is highly objectionable. And, you always want to keep Damocles' sword hanging over their heads and erode their autonomy; and according to the whims and fancies of a Joint Secretary or a Secretary of the Ministry. For God's sake don't do it. You are eroding their autonomy. There will be more scams, if you do it; I am openly telling you. Once you erode the autonomy of the institute and the independence of the Members in doing the audit, you will be inviting more scams.

The Government nominees are there from CAG, — one from the Ministry of Finance, one from the Department of Company Affairs. Had there been any dissent note in any of the committee meetings? Had there been any objections from them about the functioning of the institute? Never! Then, what made you to suspect them now? It is exclusively to make the inroads into the functioning of the institute. More than that, I can't deduce anything. So, I want to say that the elected council is wise enough. One person can indulge in corruption; one person can indulge in irregularities. But, thirty persons cannot connive. It is very difficult. It is a question of commonsense. Thirty persons cannot connive to grab money or to do some irregularity. And, if that is the case, if that is possible, God only can help us. No statute, which we are going to do, can prevent them from indulging in irregularities. Except when some *malafide* intention is there, kindly don't encourage the bureaucracy to have such intentions to erode the autonomy of the institution.

Sir, I don't have strong objections. But I don't know why the Standing Committee, against the wishes of Parliament, also...The present position is that the term of tenure will be three years. And, one can be there for any number of terms. Presently, there is no limitation. One can get elected for any number of terms. The Bill of 2003 had recommended for a tenure of four years, with a limitation of three terms. And, the PAC had recommended two consecutive terms of four years each. But the present proposal is totally against the recommendations. The three terms of three years each. So, we may question, as the elder Member was asking — you should not be permanently there; I wish you should be elevated — why should we have five years' tenure? We can have three years' tenure. *...(Interruptions)...* Oh! sorry, We are in the Rajys Sabha. *(Interruptions)*

MR. DEPUTY CHAIRMAN: You have forgotten your own tenure *...(Interruptions)...*

SHRI C. RAMACHANDRAIAH: Sir, I am making all these practical suggestions because I am a member of that institute. I have been more privileged to serve that institute in different capacities. Sir, the last six months will be wasted in election procedure, and the first six months will be required by the member to know the administration. So, he will be left with hardly two years to function. And, the elections, I am openly saying, are costlier even than the parliamentary elections. The institute itself is incurring crores of rupees to conduct the elections. When such is the case a longer tenure is advisable. So, \ request the Minister to kindly consider this. And, with regard to the disciplinary mechanism, a very vibrant mechanism is being introduced. I fully appreciate it. But why should you give more powers to a particular individual; Director? He is called 'Director'. You are giving all judicial powers, which are needed also. When such is the case, why these powers should be vested in a single individual, that is called, Director? Sir, that has to be removed. Let there be a Committee or a group of persons who can enjoy the powers. I think, more the persons, more judiciousness it will have. A single person will have arbitrary powers. One single person should not be vested with such wide, sweeping powers. So, it is very good. On the recommendation of the Naresh Chandra Committee, and on the recommendation of the JPC also an attempt is being made to make the disciplinary mechanism more vibrant. That is the only deficiency in the functioning of the Institute. Much of the time of the Council members was being taken in the disposal of the disciplinary cases. Now that this mechanism is being built, there is no necessity for increasing the strength from 30-40.1 am openly telling this. There is absolutely no necessity. So, you be confined to 30 only, and make the functioning of the mechanism of disposal of cases more vibrant. The authoritarianism of Director should not be there. Entrust all these powers to a committee.

Sir, my last suggestion in this. This is a request from the student's community. The students who are undergoing training, or, who are studying under Chartered Accountants will be called 'Article Clerks'. Naturally, the world 'clerk' gives a subordinate feeling to them. Their request has been there all along because this has been used since the inception of the Institute. The words should be Article Assistant'. They

want to be called Assistants. That is why, I am introducing this amendment. My request is to kindly consider this amendment. I can assure the Government that if these amendments are accepted more autonomy will be conferred on the Institute and the bureaucracy will never try to make inroads into the functioning of the Institute. With all these amendments, I support the Bill.

SHRI MANOJ BHATTACHARYA (West Bengal): Thank you very much, Sir. Particularly after hearing my friend, Mr. Ramachandraiah's observations, I myself am quite enriched.

Sir, I will just start my short deliberation by putting a question to the hon. Minister. In his opening remarks, he has said that this Amendment Bill has a relation with the opening of the economy of ours. Considering that the Government is a continuous entity, naturally, I am entitled to say this to the present Minister also that the country's economy was not opened only yesterday or some 3-4 years ago, it was opened in 1991. The original bill was enforced with effect from, if I remember correctly, 1st July, 1949 and the concept came long back in 1913. In 1949, the State economy did not also consider it much. It was not even two years of our independence. So, the country's economy had not taken any shape; the Five Year Plans were not initiated. And, over a period of time, it has functioned. Some loopholes were there, some discriminations were there. May I ask the hon. Minister as to what are the reasons for delaying this regulatory measures so much. From the Left, we have been telling for a very long time that you have opened the market without placing the regulatory authorities in place or without correcting the regulatory authorities. So, on 24th of July, 1991, it was officially declared that our economy is being opened to liberalisation. The LPG - liberalisation, privatisation and globalisation - was accepted on 24th July, 1991, if I remember correctly. Thereafter, the country had to undergo the agony of rigmarole in so many scams, Bank Scam of 1992, a very unprecedented bank scam of 1992, Harshad Mehta scam-share market scam, then, in 1999, some scam was there, then in 2002, there was some scam, then, . cooperative bank scam was there. They opened the economy, but delayed this regulatory mechanism to be operative or to be amended, or, to be corrected for such a long time. It is long after almost 16 years that we are trying to regulate the regulaory authorities. So, would the hon. Minister be kind enough to respond to this query of mine that why have you so

long tolerated for the cart to be put before the horse? That is our standing criticism. We are not only against neo-liberalism, but, at the same time, we are also against your mechanism of neo-liberalisation. You have not put the regulatory authorities in place.

Sir, now I come to certain points, certain observations, even though I stand here to support these three Bills, The Chartered Accountants (Amendment) Bill, 2005, The Cost and Works Accountants (Amendment) Bill, 2005 and also the Company Secretaries (Amendment) Bill, 2005.1 would implore upon the hon. Minister to consider that I have also moved certain amendments, and the Minister has, somehow, changed the language. However, I am not coming to that now, but I will come to that afterwards. Sir, I am for these amendments, I am for this Bill. But, would you please tell us that correcting the loopholes of the regulatory authorities, like a very important regulatory authority, the Chartered Accountants Institute, would you go for more bureaucratisation? Because, bureaucracy in this country, unfortunately, did not produce the worth that they were supposed to. I do not accuse all the bureaucrats, but the bureaucracy, in general, I would say, I know that there are very, very good bureaucrats, very, very good administrators, but all are not alike, did not produce the worth that they were supposed to. But, if you over-bureaucratise the autonomous institute, if the democratically elected autonomous institutes are put into place for bureaucratic scrutiny, then, the democratic process of functioning of the institute will be jeopardised, it will hampered. So, I shall implore upon the hon. Minister - he must be a conscientious person ~ that you must look into this. Don't over-bureaucratise this autonomous institute. My hon. Colleague, Shri Prasanta Chatterjee has also pointed out that it is becoming an over-bureaucratisation. This bureaucratisation is not sought for.

Sir, I understand that the affairs of the Institute of Chartered Accountants of India are governed by a Council of 30 members. Twenty-four are elected from amongst the Chartered Accountants. Their headquarter is in Delhi. They have five regional centres in five metropolitan cities or semi-metro cities. Now, they are asking for this. Because the situation is so peculiar that corporate mismangement/misgoverance is rampant in the world -- it is not confined to our territory only - it is a corollary of the neo-liberalism that these scams and the corporate misgovernance have become a fashion of the day. It is going along with

the system. It has become a system now. The Institute of Chartered Accountants functions alongwith the Ministry of Company Affairs, with the Reserve Bank of India, with SEBI, with Comptroller and Auditor General, with Central Board of Pirect Taxes and they are also holding discussions with IRDA. They are also given inputs through a Trade policy division, Ministry of Commerce, the Government of India, under GATS and WTO for negotiation with the Working Party on the Professional Services (WPPS) of the WTO. My submission to the hon. Minister for consideration is: is it a fact, my friend from the other side, Shri Ajay Maru was also pointing out, that the problem of reciprocity is there?

We are thinking of opening our services sector. A number of American firms may come. Already, some of the foreign nationals are demanding the 'national recognition'. They are demanding it. One of the important components of the W.T.O. negotiation, which is starting from today, is that in the services sector, they are seeking, they are demanding that they must be given a 'national identity', there should be no discrimination between these two. Now, what steps the Government has initiated, particularly, the Ministry of Company Affairs, has initiated to enter into a reciprocity agreement with the countries of European Union and America. Many of the professionals, many of the Chartered Accountants, are working abroad. I know that a number of Chartered Accountants, professionals have migrated to America. They are working there, either under H1B visa or otherwise.And, Sir, unfortunately, they are not recognised as 'Chartered Accountants'. It is very unfortunate, and it is continuing since a very long time. The most bright students of our country, the talents of our country, are doing subordinate jobs in the advanced developed countries. So, what initiative the Department of Company Affairs has taken for these long fifteen years, when they have experienced this sort of discrimination in the advanced developed countries? They are, of course, discriminating. We have always said that countries like America or European Union countries are always discriminating against the Third World Countries or the developing countries. Nowadays, we have been glamorously called 'developing countries'. They are discriminating against our professionals. Now, what steps the Government of India is initiating towards this reciprocity to the Chartered Accountants of our country? Instead of doing that, you are trying to unnecessarily tinker with the democratic functioning of the organisation. Now, I do not really understand. To cope up with the pressure of the present-day

economy, they require some outside experts to be co-opted in the Committee. My friend, Shri Ramachandraiah, rightly said that usually -1 have also added the word 'usually' - no elected body wants that somebody from outside should be co-opted in the Committee. But this Institute, for its better functioning, for its formidably better functioning, has sought for co-option of the experts from outside. Why are you standing as an embargo? Because if more experts from different fields are taken into the Committee or taken into the Council, it will be functioning better. So, what is the objection? What is the great point that you have that you are objecting to the two-thirds' co-option, I do not really understand. I am sure that the hon. Minister will be glad enough to respond to this.

Sir, my another point is, this Institute sets a. standard of auditing. This Institute sets a standard of auditing. Even it decides the curriculum. For the students, it decides the curriculum. The students who are fortunate to pass this Chartered Account Examination have to follow the curriculum as set by the Institute. It is almost like an educational Institute. It is not only an accounting Institute, it is also an educational Institute. It formulates the curriculum for the students, and it has got a credibility. Over a period of time, it has got the credibility. I also understand, It is the third largest Institute in the world. *...(Time bell)...* Why are you denigrating this Institute? My point is, why are you denigrating this Institute? The image of this Institute should not be denigrated as such. As such, the First World countries or the advanced developed countries have got a peculiar vision. They try to took down on us. Now, if we start looking down on ourselves, then they will be at liberty to look down on us further. They will continue to do it. Now, today, they call them 'Accountants', not 'Chartered Accountants'. Tomorrow, they will start calling them 'clerks'. They will not even call them 'Accountants'. Because we have doubted the Council's functioning, the Council's auditing. Now, what is the reason of special auditing for them? Because they are only setting the standards. So, I shall implore upon the hon. Minister not to insist on special auditing. By whom will you go for special auditing? Because already the standards are being set by them. So, I think, we are unnecessarily tinkering with this and, I am sure, that you will think twice. Before the Bill gets a final passage, I hope, you will certainly consider these points. As you know, I need not move the amendments now. I will move the amendments with a particular purpose, and you have also accepted. In some place, you have peculiarly changed.

Instead of authorities, it should be 'authority'. I told that it should not be 'authorities', it should be 'authority'. It should not be plural, it should be singular. Now, you have accepted that. But you have changed it to some other language. What for? I do not understand. Who is interested in this? I hope the hon. Minister would certainly clarify these points.

Finally, I would like to once again tell the Minister - kindly give authority to yourself. You are also a competent person. Even though you are not a chartered Accountant, I am sure, you are competent enough to think about the whole problem, the entire gamut of the problem. Our hon. Deputy Chairman is also a Chartered Accountant; he is more than a Chartered Accountant! If required, we could have taken his opinion also. He could also have opined on this like all of us. The passage of the Bill would have been easier; it would have been smoother!

I wish that all the regulatory mechanisms are further strengthened. We are late, but better late than never. Also, the Government should look into other matters, so that our country is not held for ransom by the advanced, developed countries.

With these few words, I conclude my speech. Thank you, Sir.

श्री मंगनी लाल मंडल (बिहार): माननीय उपसभापति महोदय, मैं इस बिल का समर्थन करने के लिए खड़ा हुआ हूं और बिल लाने के लिए यू.पी.ए. की सरकार और भार साधक और विभागीय माननीय मंत्री जी को धन्यवाद देना चाहता हूं। भारतीय जनता पार्टी के माननीय सदस्य श्री अजय मारु, श्री रामचन्द्रैय्या और श्री मनोज भट्टाचार्य जी को मैंने सुना है। बिल का भी इन लोगों ने समर्थन किया है लेकिन कई बिन्दुओं पर इन लोगों ने ऐतराज जताया है। ये जो तीनों विधेयक हैं, ये बहुत पुराने कानून हैं उनमें संशोधन करने के लिए ये लाए गए हैं। जिस समय यह कानून बना था जैसे चार्टर्ड अकाउंटेंट एक्ट 1949 में बना था, आजादी के बाद, तो हम एक पिछड़ा मुल्क थे। कॉस्ट एंड वर्कस अकाउंटेंट एक्ट 1959 में बना था उस समय भी हम पिछड़ा मुल्क थे। कम्पनी सैक्रेटरी एक्ट 1980 में बना था, तो उस समय भी हम पिछड़ा मुल्क थे। सारी दुनिया में हमारी यही गणना होती थी कि हम पिछड़े राष्ट्र हैं, बैकवॉर्ड राष्ट्र हैं। अभी हमारी गिनती विकासशील देशों में होती है। यह जो भूमंडलीकरण है, डब्लू.टी.ओ. है, विश्व व्यापार संगठन है, इसके लिए हमने द्वार खोल दिए हैं, तो लेखा के मामले में, अंकेक्षण के मामले में भी एक अंतर्राष्ट्रीय मानक होना चाहिए और इस अंतर्राष्ट्रीय मानक के लिए ही इसमें संशोधन आवश्यक हो, व्यापक संशोधन हो, इसके लिए कई स्तरों से आवाज उठती रही है, परामर्श आता रहा है। कैग ने भी यह आवाज उठाई थी कि इन तीनों कानूनों में एक रूपता होनी चाहिए, जो भिन्नता है उसमें समरूपता हो और समय के साथ जो पूंजी बाजार है और अंतर्राष्ट्रीय स्तर पर यदि हमको कम्पीट

करना है तो इन तीनों कानूनों में, हम जो बढ़ते हुए विकासशील देश हैं और यदि हम आर्थिक समृद्धि को प्राप्त करना चाहते हैं, तो इनमें संशोधन होने चाहिए और लेखा के संदर्भ में एक अनुशासन कायम हो इसके लिए भी इसमें संशोधन होना चाहिए। सेबी ने भी एक तरह से अपना परामर्श दिया था और महोदय, सबसे बड़ी बात 1992 में और 2001 में यहां घोटाला हुआ है, हमने देखा है और जो ज्वाइंट पार्लियामेंट्री कमेटी बनी थी, तो ज्वाइंट पार्लियामेंट्री कमेटी ने एक व्यापक जांच की और उसमें जो जानकारी मिली कि लेखा के संदर्भ में कहां-कहां गड़बड़ी हो रही है, तो ज्वाइंट पार्लियामेंट्री कमेटी ने भी सुझाव दिया था। अब ये जो तीनों विधेयक आए हैं, ये एन.डी.ए. सरकार ने लाए थे और तीनों लाए थे तो इनकी कई स्तरों पर अग्नि परीक्षा भी हुई है। जो अग्नि परीक्षा हुई है, इसमें जितने प्रोफेशनल्स हैं चाहे वे चार्टर्ड अकाउंटेंट वाले हों, कॉस्ट अकाउंटेंट वाले हों, कम्पनीज वाले हों, इनकी जो संस्था है सारे प्रोफेशनल्स को बुलाया गया है, स्टेंडिंग कमेटी ऑन फानइसेंस हो, उसमें उनको पूरा मौका दिया गया है और उसके बाद केबिनेट में गया। केबिनेट में जाने के बाद ग्रुप आफ मिनिस्टर्स में भी इसका अक्जामिन हुआ और उसमें भी सभी प्रोफेशनल्स को मौका दिया गया कि आपको क्या आपत्ति है, क्या कहना है। तत्पश्चात एक लोकतांत्रिक स्वरूप दिया गया है तीनों विधेयकों को संशोधन करके और लोकतांत्रिक स्वरूप देने के बाद साथ-साथ जो इसमें एक ट्रांसपेरेंसी आनी चाहिए, पारदर्शिता आनी चाहिए, इसका ख्याल रखा गया है। इसलिए महोदय, मै समझता हूं कि जितने इसमें संशोधन हैं, नरेश चन्द्रा कमेटी की चर्चा इन लोगों ने की है नरेश चन्द्रा कमेटी ने भी रिकमंडेशन किया कि तीनों कमेटी में समय के दौर के साथ व्यापक संशोधन किया जाए। इसलिए इसमें जो संशोधन किए गए हैं मैं इन तमाम संशोधनों के साथ इस विधेयक का समर्थन करता हूं। महोदय, मेरे मन में इसमें एख बात की शंका है जिसका अभी तक समाधान नहीं हो सका है। यह ठीक है कि पहले का विधेयक जो चार्टर्ड अकाउंटेंट का है, उसमें 24 सदस्य थे और 6 सदस्य सरकार द्वारा नामिनेट होते थे। अब कुछ लोग यह कह रहें हैं कि उनकी अटॉनामी खत्म हो रही है। अब जो व्यवस्था इसमें की गई है, उसके अनुसार 32 सदस्य इलेक्शन से और 8 सदस्य नॉमिनेशन से आयेंगे, कुल मिलाकर इसमें 40 सदस्य होंगे। अब इसमें 8 सदस्य नॉमिनेशन से आयेंगे इनको वोटिंग राइट्स होगा या नहीं होगा? हमने जो विधेयक देखा है, अवलोकन किया है, उससे इसके बारे में आभास ही नहीं होता है, हो सकता है कि कहीं हो, हम नहीं जानते हों, कहीं इसके बारे में जिक्र हो। मैं चाहूंगा कि माननीय मंत्री जी इसको स्पष्ट करें, हमने कहीं देखा था कि कारपोरेट जगत से बात पहले भी थी कि सरकार हमारी अटॉनामी को खत्म नहीं कर सकती है। क्योंकि नामांकित सदस्यों को मताधिकार नहीं होगा। हालांकि सरकार का अटॉनामी खत्म करने का कोई इंटेंशन नहीं है। इसको एक लोकतांत्रिक स्वरूप दिया गया है और पारदर्शिता लाने की कोशिश की गई है। जो अकाउंटिंग सिस्टम है, उसको इंटरनेशनल स्तर पर ठीक करने की बात कही गई है। मेरा निवेदन है कि अगर उनका वोटिंग राइट्स नहीं रहेगा, तो वे कुछ नहीं कर सकते हैं।

महोदय, इसमें कई संशोधन हैं। नये अध्याय जोड़े गये हैं। नये अध्याय जोड़े गये हैं नई धाराएं जोड़ी गई हैं और एक नया चैप्टर और एक नया अध्याय भी जोड़ा गया है। इसमें नया अध्याय 7 (ए) जोड़ा गया है। मैं इन सारी चीजों का समर्थन करता हूं, लेकिन मैं मंत्री जी से कुछ क्लेरिफिकेशन्स चाहूंगा। एक कलेरिफेकेशन तो मैंने यह पूछा है कि नॉमिनेट मेमंबर्स को वोटिंग का राइट होगा या नहीं होगा? इसके अलावा भी मैं कुछ क्लेरिफेकेशन्स मंत्री जी से लेना चाहूंगा। जब वे अपना जवाब दें, तो इनको जरूर स्पष्ट करें। जो अंग्रेजी में है और मैं अपना स्वभाव के विपरीत बोल रहा हूं:

(i) The professional Institutes of Chartered Accountants, Company Secretaries, and Cost and Works Accountants are rendering good services. Why does the Government want to amend the Acts governing these Institutes?

(ii) What were the recommendations of the Naresh Chandra Committee for improving the functioning of the professional Institutes of Chartered Accountants, Company Secretaries, and Cost and Works Accountants? To what extent is the Government acting upon these recommendations?

(iii) In the increasing global competition and the WTO regime, what steps does the Government propose to help professionals to become more competitive?

(iv) Two securities scams had taken place in the country. The JPC made strong observations against the auditors etc. It was felt that disciplinary system against the defaulting professionals was inadequate. In other countries, such as USA, when accounting Frauds such as, अभी अजय मारू जी और रामचन्द्रैय्या साहब कह रहे थे,, Arthur Anderson were noticed, quick action was taken by them. What steps does the Government propose to take to address the concerns expressed by the JPC?

(v) There were reports and allegations against the Institute of Chartered Accountants of diversion of funds for establishing some private university. Does the Government propose to bring provisions ensuring transparency in the financial affairs of the Institute? If so, what are these steps?

(vi) The Common Minimum Programme of the UPA Government promises to ensure that all institutions of higher learning and professional education retain their autonomy. It is seen from the Chartered Accountants (Amendment) Bill that the

Government is taking power to issue directions to the Council. We know that the Chartered Accountants Act has been in existence since 1949 and the Chartered Accountants Institute has been working very well. In such a situation, why the Government, at this state, wants to take the power to issue directions to the Council?

(vii) The Minister has said that through the new provisions, the disciplinary mechanism is going to be improved in the Chartered Accountants, Company Secretaries and the Cost and Works Accountants Institutes. How and in what way these objectives are going to be achieved?

महोदय, इन्हीं बातों के साथ, मैं इस बिल का समर्थन करता हूं और अपेक्षा करता हूं कि माननीय मंत्री जो हमारे मन में शंका और संशय है, उसका समाधान अपने उत्तर में करेंगे। धन्यवाद।

SHRI SANTOSH BAGROOIA (Rajasthan): Mr Deputy Chairman, Sir, I rise to support these tri-Bills- Mr.Goenka said it very well-but the hon. Minister has made it absolutely, I guess, bureaucratic. The Bills are, namely, The Chartered Accountants (Amendment) Bill, 2005, The Cost and Works Accountants (Amendment) Bill, 2005, and, The Company Secretaries (Amendment) Bill, 2005 And, of course, Sir, I would like to support them but with the kind of reservation on number of provisions which have been made in the Bill. Sir, everybody has been talking about the scams of 1992 and 2001. But, as rightly said by Ramachandraiahji, no individual Chartered Accountant or a group of Chartered Accountants were part of these scams. There were no allegations of that kind. Of course, the Chartered Accountants cannot escape the responsibility completely because the books of all these organisations were also audited by some Chartered Accountants, and, they failed in their duties to find out the intentional fraud, which was happening in those books. To that extent, these professionals cannot escape their responsibility.

Under those circumstances, a number of expert committees were formed on corporate governance and company laws. Many high-level committees were formed on corporate audit and governance, and, finally a committee was formed under the Chairmanship of Shri Naresh Chandraji. It was also underscored that the highest standards of accountancy and probity must be adhered to in-order to strengthen the

corporate culture in India. Sir, the economy of the country is jumping by leaps and bounds. It is expected that by 2020. India will be the leading economy in the world. Obviously, the supporting institutions like the Institute of Chartered Accountants of India, Institute of Cost and Works Accountants, Institute of Company Secretaries of India etc., have to be strengthened. And, in case, the standards of accountancy are improved, it will also help the management to monitor the activities of the managerial staff much better.

On the recommendations of the Naresh Chandra Committee, the Chartered Accounts (Amendment) Bill was first brought forward in 2003 in Rajya Sabha. It was referred to the Standing Committee. The report has come to the Rajya Sabha in February, 2005.1 understand that most of the important recommendations have been incorporated in these Amendment Bills of 2005, and, therefore, I compliment the Government for bringing the Bill which will streamline the corporate culture and provide much heeded legal infrastructure to establish corporate governance in the country. This is essential for current economic reforms to succeed more and more. The present Government, the UPA Government, under the leadership of hon. Prime Minister, Dr. Manmohan Singhji, and, under the guidance of Shrimati Sonia Gandhi, is committed to provide firm legal framework for the healthy corporate growth in the country. And, in this Session itself, it has brought several special legislative measures before the Parliament for this concern, like, the Taxation Tribunal Act, etc. At this stage, it will be apt to quote a recent observation made by the Price Waterhouse Coopers, a very old and well-known audit firm. It said, "Corporate frauds are unearthed very accidentally in our country. There is no process by which corporate frauds can be unearthed in a regular way. Just by chance somebody points out and it is unearthed. We have to have a process". This underlines the lack of an institutional mechanism to prevent scams. In the absence of such a mechanism the recurrence of corporate scams will only undermine the health of our economic reforms. It is, therefore, important that this House gives its considered approval to these Bills, but with some amendments. As Indian corporates join the big league of global corporates, they are becoming multinationals. It will be essential that they adopt highest accounting standards and in-house mechanism to ensure more probity. In this connection, the Naresh Chandra Committee and other expert committee have recommended that the audit comnaittees of the Board of Directors should be headed by

independent Directors. I am sure that the Indian corporate would pay a sincere heed to the recommendations of the expert committee voluntarily so that the Government is not forced to bring forward more laws and more controls on the independence of the Indian corporate world and the Government brings enabling laws to ensure their compliance, simple laws to ensure the compliance of these recommendations. Coming to the Bill, Sir, what I hear and what I experienced since the time I joined my business in the family, if you go to the Government for any import licence, which was very difficult those days, one certificate from the chartered accountant was enough. That was the basis. Once the certificate is given, the Government Department will not object to it. They will just issue the orders based on that certificate. Even now, there are most departments in the Government where the credibility of the chartered accountants certificate is well-established. It is taken authenticated. It is taken that it is fine. We are talking of an institution of these individuals whose credibility, I should say, is the highest. The Institute of Chartered Accountants is one of the premier bodies of the chartered accountants, in the country which has earned acclaim for its professionals' excellence globally. It is the third largest body of the chartered accountants in the world with one lakh thirty thousand members today. The Institute, perhaps, the earliest regulatory body in the country, was responsible to ensure adherence to the prescribed accounting standards by the companies all these years. The institute has attained its professional excellence and ethics. The Bill proposes greater teeth to the Institute to discipline its erring members. I am fully in support of that. The disciplinary mechanism that has been proposed in this Bill shall have the President or the Vice-President of the Council as its presiding officer and two members shall be elected from among the members of the Council. The Committee shall also have two members nominated by the Central Government who should be eminently experienced in the law, economics, business, finance or accountancy. So, the Disciplinary Committee shall be drawn from a wider spectrum of professionals. I am sure this will go a long way in disciplining erring members of the Institute.

At this stage, sometimes I also believe - because I was a Member of the Public Accounts Committee - that members or officers of the Accountant General of Audit should be drawn from chartered accountants. Then only, they will be able to audit complicated accounts of different departments of the State Governments and the Central Government.

With whatever experience they have, they cannot really audit without the experience of an auditor and without the experience of learning under an auditor. Sir, the provision that the verdict of the Disciplinary Committee could be challenged in the Appellate Authority to be headed by a sitting or retired High Court Judge is well taken, because in a democratic set up we have to have more provisions, so that affected parties can go to higher authorities. The Bill also provides for the Quality Review Board. That will monitor the quality of service provided by the members of this institute, including the audit... *(Interruptions)*

SHRI S.S. AHLUWALIA (Jharkhand): How many more speakers are there, Sir?

MR DEPUTY CHAIRMAN: According to my list, there are three more speakers.

SHRI SANTOSH BAGRODIA: This will help the Institute to adopt highest auditing and accountancy standards as prevalent globally. Sir, I don't mind sitting if Rajeevji wants to speak first. I will speak after him.

MR. DEPUTY CHAIRMAN: No Why? How it could be done? First you have to conclude.

SHRI SANTOSH BAGRODIA: I don't mind. I can wait.

MR. DEPUTY CHAIRMAN: Then you will lose your chance.

SHRI SANTOSH BAGRODIA: Sir, would like to seek some clarifications on the following points of the Act regarding the duration of the Council. Ramachandraiahji and some other friends have also mentioned it. The Bill proposes three terms of three years each for the Council Members. Sir, I would like to tell for the information of this House, through you, that this is such a professional organisation that the tenure of the President of this organisation is only for one year; the Vice-President is also for one year; and Council Members take as long as about nine years to become Vice-President; and the same Vice-President becomes the President. It takes nine years to become Vice-President or President. If that is so, then these three terms of three years are, I guess, too little. We should have no objection either to make four terms of three years each or three terms of four years each. This is a necessity to maintain the high standards of professionalism in this organisation. That is why I said, "Don't bureaucratise it." Those people who have suggested this, I don't think they understand what is the importance of this particular

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organisation. I dont't think they understand what is the significance of these terms for 12 years - 4x3 or 3x4.1 think Members across the House support this, and the hon. Minister will not stand on prestige and do something about it. We have been given to understand that the Council has an inbuilt tradition to rotate the presidency zonally, and the Vice-President automatically graduates to assume the Presidency. This is done zonally. One zone also comes, forget about one person. Therefore, we cannot have more democratic set up. In order to facilitate this inherent tradition, we should retain four terms of three years each. Or at the most, we can change it to three terms of four years each. Sir, the next clause which I want to refer to is clause 15 on page 6, lines 34, 35, 38 and 39. The Bill requires the Institute to keep proper accounts. I think these are very general statements. Any institute or institution will have to keep proper accounts, whether the Bill requires or it doesn't. Then, about preparation of budget. Any institution would like to do it and will have to do it. Then, it says, "Preparation of Accounts in such manner as may be prescribed." Who is going to prescribe the manner? Manner will be given by the Government! Sir, are you going to advise the advisers? Is the Government going to form a manner or a format for an institution which is controlling the format for every accounting system in the country? Either Government, public or private sector, small or big, whatever it is, it is their recommendations and they have to take the advice of the Government. I can't find any logic in it. I would like to know ... *(Interruptions)*... Ahluwaliaji doesn't have the autonomy of speaking freely in his own party ... *(Interruptions)*... So, he has a problem. We have complete independence ... *(Interruptions)*...

SHRI S.S. AHLUWALIA: Are you supporting this Bill or opposing?

MR. DEPUTY CHAIRMAN: Somebody said that it is a very dry subject. He is making it a very lively subject.

SHRI S.S. AHLUWALIA: Sir, the whole House is supporting the Bill. Now, it is five o'clock, we should pass this Bill. That's all. We need to pass this Bill. The whole House supports this Bills.

SHRI SANTOSH BAGRODIA: I have not yielded. If you want me to yield, I don't mind. If he wants to speak something, I will yield ... *(Interruptions)* ... Sir, it is for this reason, this Institute is a creation of Parliament. On the Council of Institute, there are very important and learned chartered accountants and accounting experts of the country

I don't think they need any advice from the Government and this clause should be completely, completely deleted because it sounds to me like this. Jagadguru Shankaracharya or Pope or any *Maulavi* should be told how to know about their own religion by some non- experts. This sounds like this. I don't think this clause being retained will be meritorious. It should be completely withdrawn.

Now, Sir, coming to clause 15 on page 7, lines 1 to 7, it says, "provided also that, if such information, that the accounts of the Council do not represent a true and actual view of its finances.... "What is 'a true and actual view' is all vague. Then, it says, "is sent to the Council by the Central Government, the Council shall cause a special audit." Who will do it? The Council itself will do it. But the Council has already done it. I can't understand why this clause has been there at all. For fifty years, this Council never needed this kind of clause. For fifty years not a single time any kind of such a special audit was required. Some friends have mentioned about some transfer of fund for a college or a university. I don't know if it has happened. I don't know if it has happened legally or if it has happened illegally. If it has happened illegally, there are a number of laws in the country; we can take care of it. Simply by having a special audit, you cannot prevent this kind of transfer of funds. Transfer of funds is not because of the audit. Transfer of funds is known; this is in the books. How is the Special Audit further going to improve the situation? That fact is already known. It is not hidden. If it is illegal, if sombody has committed a fraud, there are a number of laws in the country to deal with that situation. Sir, I strongly recommend that there is no case for the Government to seek a special audit of the accounts of the Institute and requires the Council to send the Action Taken Report. This should be completely deleted.

DR. T. SUBBARAMI REDDY (Andhra Pradesh): It is a good suggestion.

MR. DEPUTY CHAIRMAN: If Dr. T. Subbarami Reddy says it is a good point, it should be a good point.

SHRI SANTOSH BAGRODIA: Sir, generally speaking, I am not going to take very long. There is an acute shortage of the chartered accountants. Just now, sumebody referred to this point. We all know that their number is 1,30,000 today. For a country like India, and for a developing economy like ours, 1,30,000 chartered accountants are

nothing The way the economy is doubling and trebling, rather, we should give this Institute more push so that we can have more chartered accountants every year, many more chartered accountants. Otherwise, there will be a problem. We will go on making losses, and these chartered accountants, being over-burdened, will go on signing papers, without proper investigations So, it is necessary that we should have more chartered accountants. How do we do it? I do not know. It is for them to decide.

Sir, some hon. Member mentioned about article assistant. I fully support him We do not have to call them clerks who are learning the chartered accountancy, who are the students of chartered accountancy, and I have been always mentioning about it. A few days ago, we had the WTO discussion in this House, and we discussed about the free movement of natural persons. I don't think any country in the world should have any objection to the free movement of chartered accountants. Sir, the chartered accountants are the most capable and educated lot of the country. I do not want them to go outside because we need tham here. But still, their right to go out, their right for free movement should be well established, and I will request the hon. Minister to discuss this issue with the Commerce Minister, and coordinate and this must happen as quickly as possible.

Sir, coming to the Cost and Works Accountants, I want to make only one point very quickly. The number of the cost and works accountants is again not more than 35,000. It is nothing. Why do a number of companies go sick? This is because of the fact that we have shortage of cost and works accountants. Most companies cannot afford the services of these cost and works accountants, these experts. So, here also, I will request the hon. Minister to find ways and means to have more cost and works accountants, double and treble their number every year so that many cost and works accountants are available and even a small industry can afford to hire them for better services.

Similarly, in the case of Company Secretaries, there is a law that we have to have company secretaries. But I can tell you that most of the company secretaries have been allowed to go to more then one company. Why is it so? It is for the simple reason that we do not have enough company secretaries. Their number is 16,000 or 17,000 or something like that. If you have made a law, you have to provide for them if there is

non-availability of company secretaries. Search for them with searchlights to get company secretaries. So, please find out as to how we can have more company secretaries in the country.

Some hon. Member mentioned about, co-option, one-third or two-third. He mentioned that most of the people don't want to be co-opted. No, no. This not right. These elected members who really control the group of people, they want to have more co-opted members because, in that case, their strength increases. I will strongly suggest that one-third is the right thing to do. If we still need more experts, you can use them in some capacity. You do not need them necessarily in this capacity only. If you still need more experts, you can use them in some other capacity. You don't need them necessarily in this capacity only.

Sir, I do support it. But what the hon. Minister has brought in this amendment, on page 7, line 6—"The Council shall cause a special audit and shall furnish"—all these things should be completely removed. I request the hon. Minister, please, for God's sake, don't bureaucratise this. Don't be on a prestige issue. Don't think that by simply changing these words, the problem will be solved. We don't need it. This should be completely deleted and you bring out this amendment. Or somebody might have brought this amendment. Please accept that amendment.

With these words, I thank you, Sir, once more for giving me this opportunity to speak.

श्री उपसभापति : श्री राजीव शुक्ल।

श्री राजीव शुक्ल (उत्तर प्रदेश) **:** धन्यवाद, उपसभापति जी। ....(**व्यवधान**).... यह मेरा सब्जैक्ट क्यों नहीं है? चार्टर्ड एकाउन्टेंट से हमें भी डील करना पड़ता है। ....(**व्यवधान**)... हां, मैं इस बिल को समर्थन देने के लिए खड़ा हुआ हूं। ...(**व्यवधान**)... आप हमारी बात सुन तो लीजिए। ...(**व्यवधान**)... अच्छा, आप जितना बोलते हैं, हम ध्यान से सुनते हैं न। ...(**व्यवधान**)... आप इतना बोलते हैं ...(**व्यवधान**)... कई बार बिना जरूरता के भी बोलते हैं, फिर भी हम सुनते हैं। ...(**व्यवधान**)...

महोदय, मैं सबसे पहले मंत्री जी को इस बात के लिए धन्यवाद देना चाहता हूं कि वे इस तरह का विधेयक लेकर आए हैं। मान्यवर, यदि सही कहा जाए तो कम्पनी अफेयर्स की कोई न मिनिस्ट्री होती है, हम लोगों को इसका बहुत कम अहसास होता था। जब से वहां प्रेमे गुप्ता जी आए हैं, रोज कुछ-न-कुछ ऐसा होता है कि लगता है कि हां, कम्पनी अफेयर्स मिनिस्ट्री कुछ काम कर रही है। उसके लिए मैं सबसे पहले इनको ध्नयवाद देना चाहता हूं कि उन्होंने कुछ लाने

का प्रयास किया और हमें उसके बारे में बताने की कोशिश की है।

इसमें कोई शक नहीं कि जो चार्टर्ड अकाउन्टेंट इंस्टीट्यूशन है, जो संस्था है, इस देश में बहुत गरमामयी है। सभी उसका सम्मान करते हैं। उसमें एक-से-एक अच्छे लोग हैं, प्रतिभावान लोग हैं और उनका एक प्रूवन ट्रैक रिकॉर्ड है। लेकिन सर, मुझे लगता है कि वक्त आ गया है कि उनकी भी अकाउन्टेबिलिटी फिक्स करनी चाहिए। जब इस देश में एक चपरासी की भी अकाउन्टेबिलिटी है, जवाबदेही है, राष्ट्रपति की भी जवाबदेही है, तो चार्टर्ड अकाउंटेंट्स की भी जवाबदेही होनी चाहिए। इस सरकार ने उस दिशा में यह पहला प्रयास किया है कि चार्टर्ड अकाउंटेंट्स की भी अकाउन्टेबिलिटी, जवाबदेही तय की जा रही है। इसके लिए मैं इनको बधाई देता हूं। I don't think much is left after the elaborate speeches made by

Mr. Santosh Bagrodia and Mr. C. Ramachandraiah. ...*(Interruptions)*...

DR. MAHENDRA PRASAD (Bihar): He has written a book.

SHRI RAJEEV SHUKLA: Still, I would like to make some observations.

सर, स्टॉक मार्केट में दो बड़े स्कैंडल हुए हैं। जब तक ऐसी कम्पनियों की ऑडिट रिपोर्ट सबमिट नहीं की जाती, जिसके आधार पर बैलेंस शीट बनती है, उसके अप्रुव नहीं किया जाता, तब तक वे कम्पनियां न अपनी बैलेंस शीट बना सकती हैं और न ही उसे सबमिट कर सकती हैं। वे ऑडिट रोपोर्ट, वे फर्जी ऑडिट कैसे हुए हैं, अगर उनमें चार्टर्ड एकाउन्टेन्ट्स की connivance नहीं थी? ठीक है, ये कह रहे हैं कि शंकराचार्य होते हैं, पोप होते हैं, मौलवी होते हैं, मैं मानता हूं, लेकिन सारे चार्टर्ड एकाउन्टेन्ट्स न तो शंकराचार्य हैं, न पोप हैं और न ही मौलवी हैं। शेयर मार्केट में इतना ...(**व्यवधान**)... हां मैं वही कह रहा हूं। इंस्टीट्यूट ठीक है, लेकिन इंस्टीट्यूट्स में अगर इंडिवीजुअल्स हैं, तो उनकी जवाबदेही होनी चाहिए। इतने बड़े दो-दो स्कैंडल्स हुए हैं, उनमें चार्टर्ड एकाउन्टेन्ट्स का, ऑडिट करने वालों का क्या रोल था, यह सबके सामने जाहिर है। लाखों इन्वेस्टर्स को कितनी समस्याओं का सामना करना पड़ा, कैसे लुट गये सब को पता है। इसलिए मैं मंत्री जी से पूछना चाहता हूं कि आप उन इन्वेस्टर्स को प्रोटेक्शन देने के लिए क्या प्रोविज़न कर रहे हैं, जिससे कि आगे कोई फ्रॉड न हो? चार्टर्ड एकाउन्टेंन्टस की और जो बैलेंस शीट ऑडिट करते हैं, उनकी क्या अकाउंटेबिलिटी होगी?

दूसरा सर, गवर्नमेंट ने काउन्सिल को डिज़ॉल्व करने की पावर अपने पास ली है। इस पर कई लोगों को आपत्ति है। कई लोग ऑटोनॉमी की बात करते हैं। मैं तो समझता हूं कि यह बिल्कुल सही काम है। कुछ-न-कुछ अधिकार किसी-न-किसी तरीके से भले ही इनडायरेक्टली हो, गवर्नमेंट के पास रहना चाहिए। किसी भी संगठन को एकदम स्वच्छन्दता से छोड़ देना, मेरे ख्याल से उचित नहीं है। उसमें बहुत से प्रोविजन हैं, जिनके आधार पर ऑटॉनॉमी दी गई है।

लेकिन बिल्कुल इन सबके ऊपर छोड़ देना, मुझे लगता है कि उचित नहीं है। यह जो कॉंसिल में 32 और 8, यानी 40 मैम्बर्स का प्रोविजन किया गया है, इतने मैम्बर्स क्यों हैं? मैं मंत्री जी से इसका जस्टीफिकेशन चाहूंगा। मुझे नहीं लगता कि इतने मैम्बर्स की जरूरत है, क्योंकि इससे खर्चा भी बढ़ेगा। जब उन्होंने इसे किया है, तो मैं इसका जस्टीफिकेशन मंत्री जी से जरूर चाहूंगा। एक और बात, जो बड़ी इम्पोर्टेंट है, वह मैं उठाना चाहता हूं। यहां पर हाउस में भी दो बहुत सम्मानित चार्टर्ड एकाउंटेंट हैं, वैरी ऑनरेबिल चार्टर्ड एकाउंटेंट्स, एक तो आप हैं और दूसरे रामचन्द्रैय्या जी हैं, मैं इन चार्टर्ड एकाउंटेंट की बात नहीं करता,but there are certain Chartered Accountants who have got a nexus with the income-tax officers. They pass on the information of their clients to the income-tax officers, get the notice served on their clients and then settle the matters through those officers for financial consideration. They become conduits of the income-tax officers. What provisions is the Government making to curb this kind of a practice? There are certain Chartered Accountants who are doing this kind of a job in connivance with the income-tax officers. So, what measures is the Government taking to prevent this kind of a thing?

Secondly, in Bollywood, most of the raids are being conducted on the information given by the Chartered Accountants. There is one Chartered Accountant firm which is looking after the work of 7 or 8 Bollywood stars. On the same day, when the raids took place at the premises of 7 or 8 Bollywood actors and actresses, they came to know that the Chartered Accountant passed on the information. I don't want to go into its merits. He must have done a good job. But the provisions regarding giving awards or rewards should not be for the Chartered Accountants but for others. Others can give the information and get the rewards. If the reward or the money is being given to the Chartered Accountants, I think, it is not a healthy tradition. This should be stopped.

There is another suggestion which I want to make to the Minister. उपसभापति महोदय, मंत्री जी ने डिसिपिलिन अथोरिटी बनाई है, बहुत अच्छी बात है। उसमें उन्होंने एकाउंटेबिलिटी फिक्स करने के लिए, जवाबदेही फिक्स करने के लिए सारे प्रोविजन किए हैं, लेकिन उसमें मेरे ख्याल से इन्वेस्टीगेटींग अथोरिटी का नहीं है, इन्वेस्टीगेटिंग पावर नहीं है, वे भी देने चाहिएं। फिर उसका स्कोप एलोबेरेट करके उसमें बाहर के मैम्बर भी रखने चाहिएं। मैं तो कहता हूं कि गवर्नमेंट का डिसपिलिन डायरेक्टर हो, तो कोई हर्ज नहीं होगा। आई.ए.एस. ऑफीसर भी हो सकता है, अगर अच्छा हो। उसको बिल्कुल इंस्टीट्यूशन पर छोड़ देना, मेरे ख्याल से उचित नहीं है। और, अगर है तो कम से कम इन्वेस्टीगेटिंग पावर उनको देनी चाहिएं और उसका।

स्कोप वाइडन करके उसमें और लोगों को भी लाना चाहिए। Powers for whistle-blowing should also be given to the members. This is another suggestion which I want to make, और अपीलेट अथोरिटी जो बनाई है, it is a welcome step because the load on the High Courts will be reduced, नरेश चन्द्र कमेटी की सिफारिशों की बात उन्होंने की है। I am also for that. It should be implemented.

महोदय, आखिर में, मैं मंत्री महोदय को एक बात कहना चाहूंगा कि आपने जो बोर्ड ऑफ डायरेक्टर कंपनी के बनाए हैं, उसमें आपने डायरेक्टर के ऊपर कड़ाई और सख्ती कर दी है, हर चीज के लिए उसकी रेस्पोंसिबिलिटी फिक्स कर दी है। इससे उनका काम करना मुश्किल हो गया। आपको इस तरह गला घोंटने का काम नहीं करना चाहिए। आप यह मानकर मत चलिए कि सभी कंपनियां गलत हैं। आप ऐसे प्रोविजन्स बनाइए, ऐसा मैकेनिज्म बनाइए, जिससे जो गलत कंपनियां गलत काम कर रही हैं, उनको पकड़ा जा सके, लेकिन सबका इस तरह से बिल्कुल गला दबा देना ठीक नहीं लगता। आप किसी भी बोर्ड में जाइए, सब लोग उसमें जाने से डरने लगे हैं, कोई भी किसी भी बोर्ड में नहीं जाना चाहता, सब डरते हैं कि पता नहीं कब छोटी सी चीज पर आप पकड़ लेंगे, उन्हें जेल हो जाएगी, उनके खिलाफ यह हो जाएगा, वह हो जाएगा। मुझे लगता है कि आपको इतनी सख्ती नहीं करनी चाहिए, हर जगह सख्ती भी ठीक नहीं है। यह दरोगा का डंडा हर जगह नहीं चलना चाहिए। यही मैं आपसे दरख्वास्त करता हूं।

बाकी आपके इस बिल का मैं समर्थन करता हूं। आपने यह बहुत अच्छा कदम उठाया है। धन्यवाद।

MR DEPUTY CHAIRMAN: Mr. Natchiappan. I think, the time of all the parties is exhausted. So, kindly take the minimum possible time.

SHRI EM SUDARSANA NATCHIAPPAN (Tamil Nadu): Mr. Deputy Chairman, Sir, the Chartered Accountants Act, 1949 and the Cost and Works Accountants Act, 1959, and the subsequenl Act, that is, the Company Secretaries Act, 1980, all the three Acts have been evolved on the basis of the necessity at that time.

During the nascent period of Independence, we: needed Chartered Accountants. People from remote areas and villages, also came forward to study the Chartered Accountancy course. Hence the Government was in a position to control the entire organisation and rake the people to participate in this new venture. In the same way, when it was the period of specialisation, during the period of 1980 to 198, it came out with *

more Acts and more amendments. Cost Accountancy was one of the specialised fields. Subsequently, the Company Secretaries Act also came into force because Company Secretaries were needed for the proper adminstration of companies. We all know very well that the hon. Minister is a very farsighted person. But this Bill was conceived during the period of the so-called Harshad-Scam. Therefore, in the guise of giving protection, this amendment has been brought forward. Although I support all the three Bills. I would like to draw the attention of the Government to the fact that when we are going to make the services sector to compete with the world economy and market-driven economy, we have to think not only in terms of selling the PSU shares and equities to the private sector but also in terms of the services which are going to be part of the competition at the international level. I was reading a news item in the newspaper where the hon. Finance Minister stated that we were going to allow Chartered Accountants from other countries to come to India. Though they consider us to be well-educated, well prepared, well focused, and specialised in this particular field, the companies which are coming here and investing money and those which are having branches here, want to have their own Chartered Accountants. What will happen to those Chartered Accountants who are well-versed, who are experts and who have already migrated to other countries? They are well trained, even though those degrees were not recognised in certain countries. They go to other countries and specialise in certain fields from certain universities and join companies to earn money. They reverse should not happen. Now this amendment will help the Government to have a grip on this institution. What, is the financial commitment the Government is going to make? Here there is no financial commitment made. Whether a Joint Secretary becomes a member of the Council or whether he becomes one of the members of the Governing Body, the TA and DA and other perquisites and everything are going to be borne by this Institute. Then it is easy for them.

Here I see a very funny thing in the First Schedule, i.e. the prohibition part which prohibits advertisements. Advertising a professional attainments or servic es or using any designation or expression other than Chartered Accountant, etc. is prohibited. In the same way, they should not solicit "clients or professional work either directly or indirectly by a circular, advertisement, personal communication or interview or any other means. That means a Chartered Accountant who is sitting in his office

has to find out the clients on his own divine power, not by advertisements or by his proficiency to show that he is available for this particular excellence. Why should this prohibition clause be there even now? At that time, in 1950s or 1980s, it was needed. Now it is market-driven economy. Services are nedeed; competitive services are needed. New people are coming; enthusiastic youngsters are joining this force. They should be allowed to compete with others, especially the foreigners who are coming here to have their own companies in different names. They are coming with a simple name of consultancy. They have got the management consultancy. They have got their own Chartered Accountants, Cost Accountants and Company Secretaries. They are deputing them. But there is not law to prohibit that. Here the people, the educated people, are the suffered lot. As you know, it is a very strenuous task to pass the preliminary and final exams. They have to have an apprenticeship for a certain period. Then only, after about five years, they can become members of the association. They are doing such a strenuous work. But we are not allowing them to do out and earn more. Now, the hon. Minister is a very farsighted person. He should see to it that the Government control is reduced, and more and more liberalisation is there. But so far as the constitution of the committees is concerned, I want to say that the Secretaries want to remain occupied even after retirement. Clause 10B says, "A person shall not be qualified for appointment as a Presiding Officer of the Tribunal, unless he has been a member of the Indian Legal Service and has held a post in Grade I of the Service for at least three years". What is his experience of deciding on an election dispute? An officer sitting in the chamber wants to become a member of that particular Tribunal! In the same way, here, they are having a separate website for every company. But we are not allowed to have the website. We could not show what is his excellence in a particular field. In the same way, I would like to draw the attention to the fact that normally the Indian Constitution itself gives the mandate about the qualification for a High Court Judge—"A person who is or has been a judge of the High Court to be its chairperson". That is the new clause to be added as clause 22A. But here that part, namely, "....qualified to be...", is left out. That is a part of the Constitution. The Constitution itself says that a person who is qualified to be a High Court Judge can also occupy that particular post. This should be amended properly and the people who are in the Bar, who have specialised in this field, should also occupy these positions.

Finally, I would like to conclude with the remark that the provision pertaining to the Quality Review Board is all right because it will guide the members of the Institute to improve the quality of services and ensure adherence to the various statutory and other regulatory requirements. This is sufficient for the Government to interfere. Then, I think, giving an appellate authority is also unnecessary because again it will go to the High Court, the Supreme Court and there will not be any end. There should be a domestic body to decide about the discipline and it should be settled at that level.

श्री विजय जे. दर्डा (महाराष्ट्र) : उपसभापति महोदय, धन्यवाद। ये जो तीन बिल आए हैं, चार्टर्ड अकाउंटेंट्स (एमेंडमेंट) बिल, कम्पनी सेक्रेटरीज़ (एमेंडमेंट) बिल और तीसरा कॉस्ट्स एवं वर्क्स अकाउंटेंट्स (एमेंडमेंट) बिल, इनमें से मैं चार्टर्ड अकाउंटेंट्स संशोधन विधेयक पर बोलने के लिए और इस विधेयक का समर्थन करने के लिए खड़ा हुआ हूं।

आज समग्र विश्व में आर्थिक बदलाव काफी तीव्र गति से हो रहा है। इस भूमंडलीय परिवेश में विश्व आर्थिक पटल पर भारत को अहम भूमिका अदा करनी है। आज के युग में चार्टर्ड अकाउंटेंट देश में हो रहे आर्थिक बदलाव की प्रक्रिया का एक अभिन्न अंग बन चुके हैं। इस समय पूरे देश में लगभग 1,20,000 से अधिक चार्टर्ड अकाउंटेंट हैं और लगभग 3,00,000 से अधिक छात्र इसकी पढ़ाई में संलग्न हैं।

आज, जबकि विश्व व्यापार संगठन के माध्यम से सेवा के क्षेत्र में उदारीकरण हो रहा है, डब्ल्यूटीओ के माध्यम से सर्विसिज़ का जो युग शुरू हुआ है, इस व्यवसाय में अकाउंटिंग सेवाओं को नियमित किए जाने की काफी संभावनाएं हैं। इसलिए इस बदले हुए परिप्रेक्ष्य में यह आवश्यक है कि शिक्षण और प्रशिक्षण के साथ-साथ लेखाकरण और लेखा परीक्षा एवं क्षमता निर्माण के उपायों के स्तर को भी निरंतर ऊंचा उठाया जाए। वर्ष 1992 और 2001 में हुए शेयर बाजार घोटाले के बाद हुई दो संयुक्त समितियों के गठन से पहले चार्टर्ड अकाउंटेंट्स की भूमिका संदेह के घेरे में आ गई थी।

संयुक्त समितियों में यह स्वीकार किया गया था, यदि सम्परीक्षक भ्रष्ट व्यवस्था का अंग बन जाते हैं तो आर्थिक नियंत्रण और संतुलन धराशायी हो जाते हैं। इन समितियों ने सम्परीक्षणो में गुणवत्ता और त्वरित अनुशासनात्मक कार्यवाही को सुनिश्चित करने के लिए स्वतंत्र बोर्ड गठित किए जाने की आवश्यकता पर बल दिया है। पिछले कुछ वर्षों में विश्व की कुछ जानी-मानी कम्पनियां भी घोटाले का शिकार बनी हैं। इन तमाम घोटालों से कार्पोरेट प्रशासन, अकाउंटिंग प्रणाली और प्रकटीकरण में सुधारों के एक और चरण का सूत्रपात हुआ है। प्रस्तुत तीनों विधेयक वित्त संबंधी स्थायी समिति को भेजे गए थे। इन विधेयकों पर समिति ने व्यापक सुझाव दिए थे।

यह हर्ष की बात है कि अधिकतम सुझाव स्वीकार करने के पश्चात तीनों विधेयकों को पुनः पुरःस्थापित किया गया है। इसके अलावा इसमें संयुक्त समितियों और नरेश चन्द्रा समिति की सिफारिशों को भी स्वीकार किया गया है। इस विधेयक के माध्यम से अनुशासन समिति को और सुदृढ़ बनाने का काम किया गया है, जिससे एक से अधिक अनुशासनात्मक समितियों का गठन किया जा सकेगा। क्या सरकार के पास आंकड़े हैं कि इस समय अनुशासनात्मक कार्यवाही के कितने मामले लम्बित हैं तथा विधेयक के आने के बाद उन्हें निपटाने में कितना बल मिलेगा? इस विधेयक में 21 (A), (B), (C) और (D) के माध्यम से जिस तरह की अनुशासनात्मक क्रियाविधि का उपबंध किया गया है, वह बहुत ही लम्बी प्रतीत होती है। मामलों के त्वरित निपटाने के लिए कोई समय सीमा नहीं निर्धारित की जा सकती है? नरेश चन्द्रा समिति ने स्वतंत्र अनुशासनात्मक समिति की सिफारिश की थी। आपने संसदीय समिति की सिफारिश मानकर कारबार, शिक्षा और लोक प्रशासन क्षेत्रों से हटाकर इसका प्रतिनिधित्व विधि, वित्त और लेखाकर्म तक सीमित रखकर अच्छा काम किया है, लेकिन इसमें यह स्पष्ट नहीं है कि सदस्य किस स्तर के होंगे तथा केन्द्र के द्वारा प्रस्तावित नाम निर्दिष्ट सदस्य किस तरह स्वतंत्र रूप से कार्य करेंगे। यह सभी लोगों को पता है कि किस तरह अधिकारियों में नाम निर्देशन के लिए होड़ लगती है। इसी तरह से प्रस्तावित नई धारा 21(क) के संबंध में संसदीय समिति ने सिफारिश की थी कि छोटे अपराधों के निपटान के लिए तन्त्र का प्रावधान करने हेतु बहुसदस्यीय निकाय बनाने के लिए उपयुक्त संशोधन होना आवश्यक है तथा इसका प्रमुख विधायी सेवा से जुड़े संयुक्त सचिव के स्तर से नीचे का व्यक्ति नहीं होना चाहिए, लेकिन प्रस्तुत संशोधन में इसके प्रमुख के स्तर के बारे में कुछ भी स्पष्ट नहीं किया गया है। मंत्री जी, बताएं कि इस अनुशासनात्मक समिति का प्रमुख तथा सदस्य किस स्तर के होंगे। इनके सदस्यों की योग्यता तथा अनुभव के मानदण्ड भी निर्धारित होने चाहिए।

इसके अलावा मैं इस संस्थान और व्यवसाय के कुछ दूरगामी पहलुओं पर भी मंत्री जी आपका ध्यान आकर्षित करना चाहूंगा। अभी माननीय राष्ट्रपति जी ने भी इस संबंध में कुछ सुझाव दिये थे। चार्टर्ड अकाउंटेंट देश के वित्तीय प्रबंधन में एक महत्वपूर्ण भूमिका का निर्वाह कर रहे हैं। अभी संसद ने रोजगार गारंटी विधेयक पास किया है, जिसमें 200 ग्रामीण जिलों को कम से कम 100 दिन के रोजगार की गारंटी दी गई है। भारत निर्माण के तहत एकीकृत ग्रामीण विकास कार्यक्रम को इस विधेयक के साथ समाविष्ट करके यह संस्थान इस योजना के प्रबंधन और सफल संचालन में महत्वपूर्ण भूमिका अदा कर सकता है। ...(**समय की घंटी**)...

मेरा पहला सुझाव है कि आज ग्राम सभाओं और पंचायत स्तर पर स्थानीय लोगों को लेखा परीक्षण और अकाउंटिंग का प्रशिक्षण देने की आवश्यकता है जो कि पंचायति व्यवस्था लागू होने के बाद एक नई चुनौती है।

मेरा दूसरा सुझाव है कि अकाउंटिंग के क्षेत्र में नई सूचना प्रणाली का प्रयोग करना आज एक छोटे से लेकर बड़े व्यवसायी के लिए अति महत्वपूर्ण हो गया और इस पद्धति का और सरलीकरण करके गांवों के क्षेत्रों में लागू करना। ...(**व्यवधान**)...

श्री जय राम रमेश : सर, इनका पंचायत वाला पाइंट बहुत अच्छा है। ...(**व्यवधान**)...

श्री विजय जे. दर्डा: मेरा तीसरा सुझाव है कि अर्थ का प्रबंधन, उन्नयन अति महत्वपूर्ण है, इसलिए हमें प्रबंधन में अपने नैतिक मूल्यों का ह्रास नहीं होने देना है। मैं माननीय राष्ट्रपति जी की इस बात से अपनी बात समाप्त करता हूं जिसमें हर प्रशिक्षण प्राप्त लेखा परीक्षक को शपथ लेने की बात कही गई है। राष्ट्रपति जी ने अपनी स्पीच में कहा है,

"I realise the profession I am entering is the trusteeship of financial management and I will assist whichever institutions I audit keeping in view of the social obligations. I will not only bring out the problems of financial management for protecting the interest of all the stakeholders of the enterprise, but also suggest possible solutions with ethics as a way of life." धन्यवाद।

SHRI S. S. AHLUWALIA: He should move that the Bill be passed. *...(Interruptions)...* That is all.

THE MINISTER OF STATE OF THE MINISTRY OF COMPANY AFFAIRS (SHRI PREM CHAND GUPTA): I will make a very short reply. *...(Interruptions)...* Sir, I am not only thankful to Shri Ahluwalia but all the hon. Members for participating in this debate. This debate has been very healthy, useful and very informing. Sir, our professionals are very competent and they can compete at international and national fora with the best in the world. However, Sir, we have to provide them an atmosphere to grow for multi-professional firms so that they can compete commercially in the international arena. Sir, as I said earlier in my opening remarks, there is now an IT boom and our professionals would have an important role to play. So, we, in consultation with various chambers of commerce and the concerned professional institutes, decided to bring this amendment Bill. There is a misnomer on certain issues. That is what I have seen. We have to understand the necessity of the amendments, why do we need these amendments. Sir, earlier till 1990 the Controller of Capital Issue used to control the stock market, securities market.

And, this office was abolished afterwards and our economy was further opened up. The role of the Chartered Accountants became

absolutely important because an Investor would only see a balance sheet certified by an auditor or by a Chartered Accountant. That is the only thing that is available to an investor. You would appreciate that Chartered Accountants Bill was passed in 1949. At that time, the priorities were different. The necessity of controlling the system was different than what we have today. When the Cost and Works Accountants Bill was passed in 1959 and the Company Secretaries Bill was passed in 1980, a need was felt that there should be some control. It is not that the Government wishes to have some control over our professionals who are considered to be the best in the world. But the thing is that there has to be checks and balances. This is the basic reason with which we have brought about these changes in the relevant Acts so that we have a systematic change in the institutions governed by these Acts, including disciplinary procedures to deal with the cases of professional misconduct. We have had two Stock Market Scams. Mr. Ahluwalia had the honour to be a Member of both the JPCs and I used to be his colleague sitting in the second JPC. Sir, you were also a Member of the JPC. You were also with us. We all know that some checks and balances are required, and that is the need of the day. There is no intention of Interfering with the autonomy of the institutions. But, freedom and accountability go together. The professional institutions are the creation of law. They owe a public duty. While maintaining their autonomy, they need to be more accountable and that is the whole idea behind these amendments. We have not reduced the autonomy of the institutions. Rather, some of the proposals in the amendments go towards increasing the autonomy. For example, the institutions had to come before the Government for every revision in the fee. But, now, in the new proposal, in contrast to the earlier position, the power of revision in the fee structure is with the Council, having powers to fix up to specific limits itself, without coming to the Government for seeking approval. Even we have put a restriction on the Government. The Government cannot increase the fee structure more than two times. So, this is the idea and what I am trying to explain is this. We have no intention of playing with the autonomy of the institutions. There was a general feeling among the hon. Members that powers have been retained to give directions to the institute. Sir, there are certain, as I explained to you earlier, things. The Chartered Accountants Act was passed in 1949 and, at that time, the situation was different. But, gradually, the circumstances changed and by the time the Cost and Works Accountants

Act and the Company Secretaries Act were enacted In 1959 and 1980 respectively, need for this power was felt and that led to this provision being included in those Acts. As I said earlier, the capital market was regulated by the Controller of Capital Issues. The situation has changed since.

Here, I would like to draw the kind attention of the House to the JPC Report. Shri C. Ramachandraiah said that JPC did not comment negatively as far as this thing is concerned. The JPC of 2000 Scam had commented that of the 27 firms, against whom disciplinary proceedings were started based on their role in 1992 Scam, four were exonerated while cases against 23 were still pending.

That revealed a total lack of urgency on the part of the institute. The Enron scam, which took place in the United States, ended up with the dissolution of one of the biggest institutions, Arthur Anderson, in the world. So, some sort of checks and balance are required. *(Interruptions)*

SHRI S. S. AHLUWALIA: Mr. Ketan Parikh himself was a Chartered Accountant.

SHRI PREM CHAND GUPTA: You know that better. I don't need to comment on this. The JPC had urged the Government to bring amendments at the earliest to rectify the situation. Further, the ICAI is performing the role of the State under the Chartered Accountants Act, which allows it to collect fees from members and regulate the profession.

Sir, under the Right to Information Act, ICAI, would be equally responsible for implementing the Act, as other autonomous bodies of the Government. So, you know, how important these institutes are for the Government. They are a part of the system. Sir, in such a scenario, the Government cannot simply passively watch and not take any action if there are serious violations so far as the Chartered Accounts Institute, or, any other institute is concerned.

In 2003, the Government had introduced a stronger provision in the Chartered Accountants (Amendment) Bill in order to ensure fulfilment of the objective of the Act. The Parliamentary Standing Committee on Finance felt that the scope of this provision was very wide, and reduced it for specific cases in order to ensure the highest quality of audit, and to ensure an expeditious action against the defaulters. While this reduced the scope of directions to be given, as compared to the Bill, this was still

felt to be quite open-ended and liable to varying interpretations in future. Hence, based on the consultations with the principal stakeholder, namely, the ICAI, it is now proposed to further restrict the powers to issue directions in cases of non-compliance with the provisions of the Act. Only noncompliance! Mr, Bagrodia, you will appreciate that if there is a noncompliance, the Government cannot simply sit and watch. *(Interruptions)*

Sir, the power to issue directions is not something specific to the Chartered Accountants Institute alone. As I told you, as I explained earlier, the Cost and Works Accountants and Company Secretaries Act... *(Intermptibns)*

SHRI SANTOSH BAGRODIA: He has mentioned my name, but I am not reacting.

SHRI PREM CHAND GUPTA: Sir, the next point is this. I have already gone through the comments of the JPC. With the new disciplinary mechanism, being put in place, it is expected that the disciplinary cases would be tried in an expeditious and unbiased manner. That was observation of the JPC. And, we have followed that.

A reference was made to the Naresh Chandra Committee on the functioning of the ICAI. Here, I would like to say that subsequent to the stock market scams, the Government had appointed the Naresh Chandra Committee on Corporate Audit and Governance. The Naresh Chandra Committee, in its report of December, 2002, had commented adversely on the quality of audit and slow disciplinary mechanism. It had noted the general reluctance of the professional councils to expeditiously carry out disciplinary actions against its members, and had made several suggestions in this regard. Some of the important suggestions—I think, Shri R.P. Goenka, had asked for it—were: Setting up of an independent quality board to review the quality of audit; new disciplinary mechanism with a Prosecution Directorate; a disciplinary committee and an appellate body. So, these were the suggestions. A new provision has been proposed in each of the three Acts to provide for an independent Quality Review Board consisting of council members and outside experts to review and guide the quality of services being provjded

The Naresh Chandra Committee recommendations on the disciplinary mechanism have been modified after taking into consideration the recommendations of the Parliamentary Standing Committee orf Finance.

Sir, I have the position regarding the issue of directions. There are statutes relating to other regulatory bodies like the IRDA, (Sections 18 and 19 of the Insurance Regulatory and Development Act 1999), SEBI, (Sections 16 and 17 of the Securities and Exchange Board of India Act 1992), TRAI, (Section 25 of the Telecom Regulatory Authority of India Act, 1997) and the Electricity Regulators (CEA, CERC & SERC: Sections 75, 107 and 108 of the Electricity Act, 2003), which have provisions for directions by the Central Government. So, this Institute is not the only one where the Government has retained this power...*(Interruptions)*

SHRI C. RAMACHANDRAIAH: But those regulatory services are different...*(Interruptions)...* The services are entirely different.

SHRI PREM CHAND GUPTA: Sir, the directions are issued only in case of non-compliance. I think, there is nothing wrong in it... *(Interruptions).*

SHRI SANTOSH BAGRODIA: Obviously, only when there is non-compliance, there will be a direction. *...(Interruptions)...* It is very obvious. But the fact remains, referring to the Electricity Regulator, they are accountable to the Parliament. *...(Interruptions)*

SHRI PREM CHAND GUPTA: Sir, under the Medical Council Act, 1956... *(Interruptions)*

MR DEPUTY CHAIRMAN: Mr. Ramachandraiah, let the Minister complete. No, no; let him complete. *...(Interruptions)*

SHRI C. RAMACHANDRAIAH: Sir, umpteen times he has referred to non-compliance. *...(Interruptions)...* I am not objecting to this. *...(Interruptions)*

MR. DEPUTY CHAIRMAN: Mr. Ramachandraiah... *...(Interruptions)...* Let the Minister complete. *...(Interruptions)*

SHRI PREM CHAND GUPTA: Sir, I am trying to explain. *...(Interruptions)...* As per my understanding, Sir. *...(Interruptions)...* Sir, under the Indian Medical Council Act, 1956, the Government has the power to include or remove any medical qualification, further if the Medical Council does not comply with the provisions of the Act, the Central Government may refer the matter to a Commission of Inquiry and is empowered to take any measures necessary to implement the recommendations. However, Sir, in our case, there is no such intention. We have not kept any provision like that.

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Sir, there are certain problems in the disciplinary mechanism which is prevalent at the present moment. We have made some suggestions in line with the Naresh Chandra Committee's recommendations and the recommendation of the Parliamentary Standing Committee on Finance. Separate bodies have been suggested. The Board of Discipline (for minor offences), and a Disciplinary Committee (for major offences), are being set up for dealing with the disciplinary cases. In addition, Sir, there would be an appellate authority to hear appeals. I can give the composition of these bodies, but, I do not think, it is necessary here.

Sir, one apprehension has been raised by most of my friends here about the special audit of the Institute. Sir, professional institutes are the creation of law and they discharge very important duties affecting a large section of the public. Therefore, their actions and the state of their finances need to be above board. There is a saying, Sir, 'Caesar's wife should be above suspicion.' *...(Interruptions)...* However, the Government is *...(Interruptions)*

MR. DEPUTY CHAIRMAN: Mr. Narayanasamy, let the Minister complete. *...(Interruptions)...* No, no; let him complete. *...(Interruptions)...* Mr. Narayanasamy, see, you should give an opportunity to the Minister to say what he wants to say. *..(Interruptions)...* Mr. Narayanasamy... *(Interruptions)...*

SHRI V. NARAYANASAMY: Whether he is justified in. *..(Interruptions)...*

SHRI PREM CHAND GUPTA: I am coming to that...*(Interruptions)...*

MR. DEPUTY CHAIRMAN: Mr. Darda, please sit down... *(Interruptions)...*

SHRI PREM CHAND GUPTA: Sir, the Government is... *Interruptions)...*

SHRI MANOJ BHATTACHARYA: Sir*...(Interruptions)...*

MR. DEPUTY CHAIRMAN: Please sit down.. *Interruptions)...* Please sit down... *(Interruptions)*... I will give you an opportunity to seek clarifications later.

SHRI PREM CHAND GUPTA: Sir, the Government is not trying to assume powers to audit the accounts of the Institute. Rather, it is proposed to empower the Councils, if they find it appropriate, to direct special audit

of their accounts, in the event, is brought to their notice that the accounts of the Council do not represent a true and fair view of the state of affairs of the Council's finances. It would, thus, be seen that the Government is not taking any additional power to issue directions to the Council in respect of the special audit. It is entirely left to their discretion, depending upon the facts and circumstances of each complaint. If such information is provided by the Government, then, the Council would submit only an Action Taken Report saying that we have received this complaint, we have looked into it but we have found nothing. What is wrong in that, I don't know...*(Interruptions)...*

MR. DEPUTY CHAIRMAN: Please, let him complete ...*(Interruptions)...*

SHRI C. RAMACHANDRAIAH: Sir, the Chair should permit us to seek clarifications.

MR. DEPUTY CHAIRMAN: Definitely.

SHRI PREM CHAND GUPTA: Sir, one issue regarding the term of the Council was raised. In the case of ICAI, the Standing Committee had suggested two consecutive terms of four years each. The 2003 Bill had suggested three consecutive terms of four years each. We have decided that we should not disturb the existing system. We decided to allow three consecutive terms of three years each and after one break, they can seek re-election for nine years. So, I think that is fair enough. In case of ICWAI, 2003 Bill had suggested three consecutive terms of four years each. The Standing Committee had recommended two consecutive terms of four years each. In the 2005 Bill, there is a provision of two consecutive terms of four years each. Similar is the case with ICSI. Sir, limiting of terms would prevent domination of one group of professionals administering the system continuously. A four-year term would allow greater time to contribute to the job. However, there have been representations from the ICAI for restoring the number of consecutive terms to three. As you know, Sir, after a three years' term, one can take one break and, then, can seek re-election.

SHRI C. RAMACHANDRAIAH: Is this provision prospective?

6.00 P.M.

MR. DEPUTY CHAIRMAN: Let him finish.

SHRI PREM CHAND GUPTA: Sir, with regard to changing the name

of ICWAI, we have given a great thought to this. It is a very complicated and very controversial issue. Both the institutions, both the Councils provide similar type of services. So, if we add 'Management' to that institute, then, other institutes will feel left out in the cold. So, we decided not to change the name and we maintain the status quo.

Sir, with regard to the issue of improving quality of work of the professionals, as far as Quality Review Board is concerned, presently, ICAI has a Peer Review Committee consisting of Council Members which goes into the quality of audit done by individual auditors; selected on a sample basis. This is not sufficient for following reasons: This is reviewed only by the Council Members other stakeholders such as business, industry and investors are not involved in the process.

So, its recommendations remain in the Council. So, it is proposed to introduce a new provision in each of the three Acts to provide for independent Quality Review Board. The Quality Review Board will consist of council members and outside experts to review and guide the quality of services being provided. I think, there is no harm in that.

The question of university came. Shri R.R Goenka had raised this issue. Sir, the ICAI Council decided, in principle, to set up an ICAI University in 1994. Following legal opinion against setting up the University on its own, it decided to set up the University through ICAI-Accounting Research Foundation, a Section 25 company, set up by the ICAI. The ICAI decided to set up the University ir, Rajasthan utilising its enabling legal framework and promise of land allotment at concessional price. The project cost estimated to be Rs. 80 crores, to be financed mainly from financial support of ICAI, ICAI-ARF and voluntary contributions from members. The ICAI has advanced Rs. 5 crores so far towards this University. The objections are as follows:

Setting up of ICAI-ARF is disputed, since its functions go beyond the mandate of research provided for in the CAAct. Sir, you know the issue. Sir, advancing of funds for University is aqainst the law since ICAI can do so only for research purposes, and activities of Universities are much beyond research.

Sir, our friends, Prasantababu and Shri Manojji, talked about the W.T.O. regime. Sir, at present, the Indian professionals are unable to adopt modern competitive practices such as forming of multi-disciplinary

firms or advertising or bidding for tenders, because the Schedule of Offences treat such activities as miscondusts. Because of this, they are unable to grow and compete with foreign firms such as Price Water house coopers or ernst & Young. These Schedules are proposed to be amended, so as to enable formation of multi-disciplinary firms, participation in tenders and allow limited advertising to make professional firms more competitive. However, Mr. Ajay Maroo had expressed his apprehension about opening up for allowing advertisements which would benefit the big firms only, and not the small firms. But there has to be a beginning. Somewhere, someone has to start. So, I think we should open it up in a limited manner as per the guidelines of the ICAI.

Sir, now, I come to the status of our negotiations under W.T.O. In case of services, negotiations are done through a system of offers and requests. A country makes an offer to other countries on the level of opening up the sector, and also makes requests to other countries on their opening of corresponding sectors. This offer and requests are made in four Modes of trade in services, namely, Mode I, Mode II, Mode III and Mode IV. Mode I is Cross-border supply; Mode II is Consumption Abroad; Mode III is Commercial Presence; and Mode IV is Movement of Natural Persons.

Sir, we are taking care. We know that our professionals are very capable. They can provide the best services world over. So, we have this thing in our mind.

Sir, the sector of Accounting, Auditing and Book-keeping services is one of the identified sectors in WTO negotiations.

Sir, apprehension was raised about the co-option of outsiders into Committees. The present provisions allow co-option of members in the committees constituted by the Council, such as Committees on Accounting Standards and Committee on WTO up to two-thirds of the strength of the committee, with full rights as other elected members.

Sir, the principle of co-option, which is, to an extent, greater than the strength of the elected member in the committee, goes against the democratic principles and would lead to nominated members having a greater say than the elected members. So, we have decided to restrict their number of one-third.

Sir, these were the common points raised by all the hon. Members.

Then, there were certain issues, which were not related. For instance, Shri Ajay Maroo had raised an issue that a letter was written by an official of the Ministry, directing members of the ICAI not to respond to the hon. Member of Parliament. That letter has since been withdrawn. The other point that you made was that the manner of maintaining accounts should not be regulated by the Government. It is not so. Government is not going to decide on how the accounts should be maintained. It is the Council, which shall frame its regulations. Page 6, Clause 15 and Subclause 3 of the Chartered Accountants Bill use the word 'prescribe'. So, you should not have any reservation on this.

Sir, one issue was raised about advertising, which I have already dealt with. Shri R.P. Goenka had asked for some general information, and also whether the cost could be reduced. Sir, once there is competition, there would be transparency and the cost would automatically come down.

Sir, Shri Prasanta Chatterjee had raised an issue—why copy of regulations framed by the Council are not required to be sent to every member. The objective can be achieved by publishing the regulations in the journals of the Institute, which are published regularly. More effective is the way of electronic media, such as website. This will also result in reducing the cost.

Sir, Shri Prasanta Chatterjee had suggested that members of appellate authority should be from a panel suggested by the Council. If this were to be accepted, there may be conflict of interests, as the disciplinary proceedings are against the members of the institute. Therefore, it is not desirable.

Sir, Shri Perumal had made some suggestions about cost accountants to be trained in the new global trends. Training is an ongoing process being taken care of by the Institute of Costs and Works Accountants and other institutes. Improvements in the process are taking place.

Co-option was also an issue, which was raised by various' colleagues. The objective of co-option is to enable the committees of the Council to have experts from various fields, so that they can deliberate upon issues of importance. The Government does not wish to prevent this in any manner. But this has to be in accordance with the democratic norms, which require that co-opted members should not be more than

the elected members in the committees. Even after the amendments, the committees are free to involve special invitees in their deliberations in their meetings. So, they can always invite experts from outside.

Shri Ramachandraiah had raised an issue about judicial powers to Director, Discipline. Director, Discipline has to collect evidence before putting up the case to Board of Discipline in the case of minor offence, and to the Disciplinary Committee in the case of major misconduct. In absence of these powers, the Director (Discipline) will not be able to discharge the responsibility in a proper and desired way. One issue was raised by Shri Manoj Bhattacharya that why there is a delay in amendment. Process of consultation has been completed recently. Sir, our Government is there in place for the last one year and a few months and immediately thereafter, we have taken all the steps. Hon. Member should appreciate that. Sir, an apprehension was raised how accounts would be maintained. The manner of preparing accounts is not going to be dictated by the Government. The Institute will frame regulation and they will themselves prescribe the manner of preparing accounts. In this process, there is no intention to interfere with the autonomy of the Institute. I have already dealt with this issue of at length. Shri Santosh Bagrodia has raised the issue of tenure which I have already dealt with. Shri Rajeev Shukla had raised the issue that the Chartered Accountants caused such and such things on film industry. Well, I don't want to make a comment on any specific issue, but Sir, in case of Chartered Accountants doing so, this is a case of misconduct.

MR. DEPUTY CHAIRMAN: It comes under disciplinary provisions. Mr. Rajeev Shukla can write to the Chartered Accountants Institute in this matter.

SHRI PREM CHAND GUPTA: Mr. Natchiappan had raised the issue why there are restrictions on advertisement. The reason why we have restriction on advertisement is that we want to provide a level-playing field to the small professionals. If we leave it uncontrolled, then there can be no limit. Sir, my last point, considering the sentiments of the House, I agree that students should not be called clerks. Accordingly, I propose that in clause 2 of the Chartered Accountants (Amendment) Bill, an additional amendment be inserted on page 2 after the line 12 by which the word "clerks" shall be substituted with the world "assistants" in the

explanation to clause IV of sub-section (2) of section 2 of the principal Act.

Further in clause 11 of the Bill, it is proposed to substitute the word "clerks" with the word "assistants" in line 2 of page 5 of the amendment Bill, Thank you very much.

MR. DEPUTY CHAIRMAN: After ascertaining from the precedent, I was informed that the Chair can also seek some clarifications. There are precedents. I would like to seek few clarifications. You are right when you said that the intention of the Government is not to direct that the Institute should conduct an audit. You are only bringing it to the notice of the Institute, if any inconsistencies were found by the Government. The Institute will act accordingly. That is what the intention of the Government is. But, regarding the provision of'special audit', by reading the proposed amendments, from the very word 'special audit', it seems that your intention is not to conduct audit but your intention is to set right what the Institute should do. If there is any inconsistency, that will be informed by the Government or any other agency and the Institute will act accordingly; and not conduct a special audit because when audit is conducted, 'a true and fair' certificate is given by the auditor. But the very language looks to be, for example, provided that if such information of account do not represent true and fair view, then nobody can come to the conclusion that it is not true and fair just because certain inconsistencies were found. So, it cannot be 'true and fair'.

Once it is certified, it is true and fair, and, if it is not true and fair, the auditors take the responsibility, whoever certifies. That is the concept of true and fair.

Now, the Council shall seek a special audit. On what? A special audit is redoing the whole thing. The intention of the Government, what you said, may not be that. Whether it could be looked into, is one clarification that I would like to seek.

Another thing is that there was an impression by the ICAI university, as you rightly clarified, that the Council took the decision of establishing the university, it is not a fraud, it is not a diversion. The council took the decision, according to you, to establish the university. It may not be that, it is an interpretation. So, a message should not go that there is diversion of funds or the institute had done something wrong. *{Interruptions).*

SHRI PREM CHAND GUPTA: There is no such feeling. *(Interruptions)*

MR. DEPUTY CHAIRMAN: From the debate, some impression came. So, a Body's image should not be spoiled. *(Interruptions)*

SHRI PREM CHAND GUPTA: Sir, it is clarified that there is no diversion of funds. There is no such feeling. Sir, as far as the special audit is concerned, I would like to read the proposed amendments in Clause 15 of the Chartered Accountants (Amendment) Bill, 2005.

"Provided further that, in the event it is brought to the notice of the Council that the accounts of the Council do not represent a true and fair view of its finances, then, the Council may itself cause a special audit to be conducted."

MR DEPUTY CHAIRMAN: That is there. *(Interruptions)*

SHRI PREM CHAND GUPTA: So, Sir, let us not make it a problem. *(Interruptions)*

SHRI C. RAMACHANDRAIAH: Sir, the Minister is totally misleading the House. *(Interruptions)*

SHRI MANOJ BHATTACHARYA: Sir, this is confusing. *(Interruptions)*

MR. DEPUTY CHAIRMAN: Anyhow, the Minister can look into it. *(Interruptions)*

SHRI C. RAMACHANDRAIAH: Sir, if you permit me, I will read out. *(Interruptions)* Sir, the proviso, which the Minister has read out, is already there.

SHRI PREM CHAND GUPTA: Sir, the issue was discussed in many consultations, discussions that we had. I am not supposed to say that the Group of Ministers had taken a view on this. The Cabinet had taken a decision. *(Interruptions)* No, no. Listen, please.

MR. DEPUTY CHAIRMAN: No, no. We are not questioning that. *(Interruptions)*

SHRI PREM CHAND GUPTA: Sir, we consulted the institute; we consulted many times, and, Sir, we consulted everyone who requested

so. I think, Sir, there is no confusion on this. Sir, you are our guardian; You are not only our old friend, you are our guardian. With these words, I request you to go ahead and have the Bills passed.

SHRI C. RAMACHANDRAIAH: Sir, this is pertaining to special audit. I want to draw the attention of the hon. Minister. The Minister read out a proviso. Sir, on page 7, Clause 15, the proviso says, "provided further that, in the event it is brought to the notice of the Council that the accounts of the Council do not represent a true and actual—of course, it has been changed to fair—view of its finances, that the Council may itself cause a special audit to be conducted." It is existing there. What you have added is the 3rd proviso, "Provided also that, if such information, that the accounts of the Council do not represent a true and actual view of its finances, is sent to the Council by the Central Government, the Council shall cause a special audit and furnish an action taken report on it to the Central Government".

SHRI PREM CHAND GUPTA: No, Sir. It is not 'shall, it is 'may'. I would like to correct that the word is 'may'. (*Interruptions)* Sir, Ramachandraiahji is my old friend, we have been together in committees. *{Interruptions).* Sir, I would like to make it correct that the word is 'may'. The word 'shall' has been deleted.

SHRI C. RAMACHANDRAIAH: Sir, as far as my knowlede goes, the world 'may' will be treated as 'shall' in legal aspects. Sir, already the Council has got the power to cause a special audit. The second proviso is totally redundant. What is the intention of the Government?

MR. DEPUTY CHAIRMAN: That is the point on which I sought a clarification. *{Interruptions).*

SHRI C. RAMACHANDRAIAH: Sir, this is what I am trying to say. *{Interruptions).*

SHRI SANTOSH BAGRODIA: Sir, when all the Members are saying that it should not be done, why is it being done?

MR. DEPUTY CHAIRMAN: It is for the Government to decide.

SHRI C. RAMACHANDRAIAH: Sir, what is happening is, I stood for the elections, I got defeated. I thought I would write to the Company Affairs Minister that something was going wrong and he would send directions to the Council. But, where is the end to it? *...(Interruptions).*

SHRI MANOJ BHATTACHARYA: Sir, the very nomenclature is wrong *...(Interruptions)...*

SHRI N. JOTHI (Tamil Nadu): Sir, I may suggest one thing in this. If the word 'may' means 'shall', we can say, the Central Government, for the reasons recorded in writing *...(Interruptions)...* that will be safer. That can be done.

SHRI MANOJ BHATTACHARYA: Sir, I would request the hon. Minister, through, you, that the clarification is extremely valid *...(Interruptions)...* and the very nomenclature has to be changed. *...(Interruptions)...* It must be changed. *...(Interruptions)...*

श्री उपसभापतिः जी हां, आपका क्या है?

SHRI VIJAY J. DARDA: Sir, the hon. Minister has replied to each and every Member's doubts except *...(Interruptions)...* He has singled me out, Sir. *...(Interruptions)...*

श्री एस०एस० अहलुवालिया: सर, यह हीट विकेट क्या हो रहा है, सेम साइड गोल कर ही है, यह तो हिट विकेट हो रहा है।

SHRI PRASANTA CHATTERJEE: Sir, this point *...(Interruptions)...* in the Standing Committee. Why the Minister's is *...(Interruptions)...*

SHRI VIJAY J. DARDA: Sir, I need your protection *...(Interruptions)...* I need your protection, Sir. *...(Interruptions)...*

MR. DEPUTY CHAIRMAN: Now, I shall put the Motion regarding consideration of the Chartered Accountants (Amendment) Bill, 2005 to vote. The question is:

That the Bill further to amend the Chartered Accountants Act, 1949, be taken into consideration.

The Motion was adopted.

MR. DEPUTY CHAIRMAN: We shall now take up clause-by-clause consideration of the Bill. In Clause 2, there is one Amendment by the Minister.

CLAUSE 2

Amendment of Section 2

SHRI PREM CHAND GUPTA: Sir, I beg to move: That at

page 1,—

(xi) in line 10, *omit* "in sub-section (1),"_;

(xii) after line 10, *insert "(\)* in sub-section (1)

Page 2, after line 12, *insert*—

'(II) in sub-section (2), in the Explanation, for the words "training of articled clerks", the words "training of articled assistants" shall be *substituted';*

The question was put and the motion was adopted.

Clause 2, as amended, was added to the Bill.

MR. DEPUTY CHAIRMAN: There is one Amendment (No. 1) for insertion of new clause 2A by Shri C. Ramachandraiah. Are you moving the Amendment?

SHRI C. RAMACHANDRAIAH: I am not moving, Sir.

MR. DEPUTY CHAIRMAN: Now, we shall take up clauses 3 to 5 for consideration. The question is:

That clauses 3 to 5 stand part of the Bill.

The motion was adopted.

Clauses 3 to 5 were added to *the Bill*

MR. DEPUTY CHAIRMAN: Now, we shall take up clause 6 for consideration. There are two amendments (Nos. 13 and 14) by Shri Ram Jethmalani. Are you moving the Amendments?

SHRI RAM JETHMALANI (Maharashtra): Sir, I am not moving the Amendments.

MR. DEPUTY CHAIRMAN: I shall now put clause 6 to vote. The question is:

That clause 6 stands part of the Bill.

The Motion was adopted. Clause

6 was added to the Bill

MR. DEPUTY CHAIRMAN: Now, we shall take up clause 7 for consideration. There is one amendment (No.2) by Shri C. Ramachandraiah. Are you moving the Amendment?

SHRI C. RAMACHANDRAIAH: This is only to request the Minister to make it clear that this will come into force after the commencement of

this Amendment Act. He has stipulated a cap on tenure. Those stipulations of capping of tenure will come into force after the passing of this Bill.

MR. DEPUTY CHAIRMAN: The Amendment is prospective or retrospective?

SHRI PREM CHAND GUPTA: Sir, it is prospective.

SHRI C. RAMACHANDRAIAH: Sir, I am not moving the Amendment.

MR. DEPUTY CHAIRMAN: I shall now put clause 7 to vote. The question is:

That clause 7 stands part of the Bill.

The motion was adopted.

Clause 7 was added to the Bill.

Clauses 8 to 10 were added to the Bill.

MR. DEPUTY CHAIRMAN: There is one Amendment (No.3) for insertion of New Clause 10A by Shri C. Ramachandraiah. Are you moving the Amendment?

SHRI C. RAMACHANDRAIAH: I am not moving.

CLAUSE 11

Substitution of new section for section 15

MR. DEPUTY CHAIRMAN: We shall now take up clause 11 for consideration. There is one Amendment (No.4) by Shri C. Ramachandraiah. Are you moving the Amendment?

SHRI C. RAMACHANDRAIAH: I am not moving.

MR. DEPUTY CHAIRMAN: There is one Amendment by the Minister.

SHRI PREM CHAND GUPTA: Sir, I beg to move:

That at page 5, in line 2, for "clerks", *substitute* "assistants",.

The question was put and the motion was adopted.

Clause 11, as amended, was added to the Bill.

Clause 12 was added to the Bill.

CLAUSE 13

Substitution of new section for section 16

MR. DEPUTY CHAIRMAN: We shall now take up clause 13 for consideration. There is one Amendment (No.24) by the Minister

SHRI PREM CHAND GUPTA: Sir, I beg to move:

24. That at page 5, line 43, for the words "Secretary of the Council", the word "Secretary" be *substituted.*

The question was put and the motion was adopted.

Clause 13, as amended, was added to the Bill.

CLAUSE 14

Amendment of Section 17

MR. DEPUTY CHAIRMAN: We shall now take up clause 14 for consideration. There are two Amendments (Nos.5 and 6) by Shri C. Ramachandraiah. Are you moving the Amendments?

SHRI C. RAMACHANDRAIAH: Sir, again, I make an appeal to the Minister. He said, while giving his reply to the debate, that one-third co-option would be more democratic. Sir, the earlier practice was that two-thirds of the elected component used to be co-opted. This was with the noble intention of utilising the services of so many experts. My request is to kindly consider this. If he does not want to consider it, it is for him. I am not moving the Amendments.

MR. DEPUTY CHAIRMAN: Now, I shall put clause 14 to vote. The question is:

That clause 14 stands part of the Bill.

The motion was adopted.

Clause 14 was added to the Bill.

CLAUSE 15

Amendment of Section 18

MR. DEPUTY CHAIRMAN: In Clause 15, there are eleven amendments; Amendments (Nos. 7 to 10) by Shri C. Ramachandraiah, Amendments (Nos. 15-18) by Shri Ram Jethmalani and Amendments (Nos.25 to 27) by the Minister. Mr. Ramachandraiah, are you moving the Amendments?

SHRI C. RAMACHANDRAIAH: Sir, this is to give a direction by the Government to prepare a format in the manner prescribed. Who has to prescribe it, Sir? Sir, there are certain things which have to be clarified by the Government. Who has to prescribe it? Who has to formulate the format? When the Institute is formulating the format for the entire country, for all the industries and the accounting firms, the Government has got the expertise to formulate the format! This is unfair, Sir.

MR. DEPUTY CHAIRMAN: They can prescribe the regulation.

SHRI RAM JETHMALANI: Sir, the word 'prescribed' is det ned as 'prescribed by rules made by the Government'. That creates the problem. Therefore, either you drop the word 'prescribed' or you say that in such form as the Council may decide... *(Interruptions)*

SHRI PREM CHAND GUPTA: Sir, the word 'prescribed' refers to regulations framed by the Council. *(Interruptions)*

SHRI C. RAMACHANDRAIAH: Sir, I am not moving the Amendments.

MR. DEPUTY CHAIRMAN: Then, Amendments (Nos. 15 to 18) by Shri Ram Jethmalani.

SHRI RAM JETHMALANI: Sir, I am not moving the amendments.

MR. DEPUTY CHAIRMAN: Amendments (Nos.25 to 27) by the Minister.

SHRI PREM CHAND GUPTA: Sir, I move

25. That at page 7, line 2, for the word "actual", the word ' fair" be *substituted.*

26. That at page 7, line 5, *for* the word "actual", the word fair" be *substituted.*

27. That at page 7, line 6, for the words "the Council may cause a special audit and shall furnish", the words "the Council may, wherever appropriate cause a special audit or take such other action as it considers necessary and shall furn sh" be *substituted.*

The questions were put and the motions were adopted.

Clause 15, as amended, was added to the Bill.

Clauses 16 and 17 were added to the Bill.

CLAUSE 18

Substitution of new Section for section 21

MR. DEPUTY CHAIRMAN: Now, we shall take up clause 18 for consideration. There are two Amendments; Amendment (Nc.19) by Shri Manoj Bhattacharya and Amendment (No.28) by the Minister. Shri Manoj Bhattacharya, are you moving the amendment?

SHRI MANOJ BHATTACHARYA: Sir, I am in a peculiar confusion *...(Interruptions)...* I have said that instead of'authorities', let it be 'a Jthority' *...(Interruptions)...*What is the meaning of that? *(Interruptions).*

SHRI PREM CHAND GUPTA: We will discuss it.

MR. DEPUTY CHAIRMAN: He will discuss it.

SHRI MANOJ BHATTACHARYA: Sir, I am not moving.

MR. DEPUTY CHAIRMAN: Now, there is one Amendment (No.28) by the Minister.

SHRI PREM CHAND GUPTA: Sir, I beg to move:

28. That at page 8, line 11, for the word "authorities", the words "Board or Committee" be *substituted.*

The question was put and the motion was adopted.

Clause 18, as amended, was added to the Bill.

MR. DEPUTY CHAIRMAN: Now, we shall take up clause 19 for consideration. There are two Amendments (Nos.11 and 12) by Shri Ramachandraiah. Are you moving the Amendments?

SHRI C. RAMACHANDRAIAH: I am not moving.

MR. DEPUTY CHAIRMAN: I shall now put clause 19 to vote. The question is:

That clause 19 stands part of the Bill.
The motion was adopted.
Clause 19 was added to the Bill.
Clauses 20t(28 were added to the Bill.

CLAUSE 29

substitution of new schedules for first schedule and Sec on J Schedule

MR. DEPUTY CHAIRMAN: We shall now take up claus< 29 for consideration. There are five Amendments; Amendments (Nos.20 to 23) by Shri Manoj Bhattacharya and Amendment (No.29) by the Minister. Shri Manoj Bhattacharya, are you moving the Amendments?

SHRI MANOJ BHATTACHARYA: I am not moving, Sir.

MR. DEPUTY CHAIRMAN: Amendment (No.29) by the Mi lister.

SHRI PREM CHAND GUPTA: Sir, I beg to move: 29. That at page 15, line 29, for the words "as provided", the words "or anything as provided" be *substituted.*

The question was put and the motion was adopted.

Clause 29, as amended, was added to the Bill.

Clause 1, the Enacting Formula and the Title were added to the Bill.

SHRI PREM CHAND GUPTA: Sir, I move:

That the Bill, as amended, be passed.

The question was put and the motion was adopted.

MR. DEPUTY CHAIRMAN: I shall now put the motion regarding consideration of the Cost and Works Accountants (Amendment) E II, 2005 to vote. The question is:

That the Bill further to amend the Cost and Works Accountants Act, 1959, be taken into consideration.

The motion was adopted.

MR. DEPUTY CHAIRMAN: We shall now take upclause-by -clause consideration of the Bill

Clauses 2 to 15 were added to the Bill.

CLAUSE 16

Amendment of Section 18

MR. DEPUTY CHAIRMAN: Now, we shall take up clause 16 for consideration. There are three Amendments (Nos. 1 to 3) by the Minister. SHRI PREM CHAND GUPTA: Sir, I beg to move:

1. That at page 7, line 13, for the word "actual", the word "fair" **be** *substituted.*
2. That at page 7, line 16, for the word "actual", the word "fair" be *substituted.*

3. That at page 7, line 17, for the words "the Council may :ause a special audit and shall furnish", the words "the Council may, wherever appropriate cause a special audit or take such other action as it considers necessary and shall furnish" be *sut* stituted.

The questions were put and the motions were adopted.

Clause 16, as amended, was added to the Bill.

Clauses 17 and 18 were added to the Bill.

CLAUSE 19

Substitution of new section for section 21

MR. DEPUTY CHAIRMAN: Now, we shall take up clause 19 for consideration. There is one Amendment (No.4) by the Minister.

SHRI PREM CHAND GUPTA: Sir, I beg to move.

4. That at page 8: line 23, *for* the word "authorities"., the words "Board or Committee" be *substituted.*

The question was put and the motion was adopted.

Clause 19, as amended, was added to the Bill.

Clauses 20 to 31 were added to the Bill.

CLAUSE 32

Substitution of new schedules for first schedule and Sec**ond Schedule**

MR. DEPUTY CHAIRMAN: There is one amendment (N > 5) by the Minister.

SHRI PREM CAND GUPTA: Sir, I beg to move:

5. That at page 15, line 42, for the words "as provided", the words "or anything as provided" be *substituted.*

The question was put and the motion was adopted. Clause 32, as amended, was added to the Bill. SHRI PREM CHAND GUPTA: Sir, I move:

That the Bill, as amended, be passed. The question was put and the motion was adopted. MR. DEPUTY CHAIRMAN: Now I shall put the motion realting to the Company Secretaries (Amendment) Bill, 2005 to vote.

Now, the question is:

That the Bill further to amend the Company Secretaries Act, 1i 90, be taken into consideration.

The motion was adopted.

MR. DEPUTY CHAIRMAN: Now, we shall take up Clause-by Clause consideration of the Bill.

Clauses 2 to 15 were added to the Bill.

CLAUSE 16

Amendment of Section 18

MR. DEPUTY CHAIRMAN: There are three amendments , Nos. 1, 2 and 3) by the Minister.

SHRI PREM CHAND GUPTA: Sir, I move:

1. That at page 7, line 21, for the word "actual", the word "fair" be *substituted.*
2. That at page 7, line 24, for the word "actual", the word "fair" be *substituted.*
3. That at page 7, line 25, for the words "the Council may cause a special audit and shall furnish", the words "the Council may, wherever appropriate cause a special audit or take such other action as it considers necessary and shall furn sh" be *substituted.*

The questions were put and the motions were adopted.

Clause 16, as amended, was added to the Bill.

Clauses 17 to 18 were added to the Bill.

CLAUSE 19

Substitution of new section for section 21.

MR. DEPUTY CHAIRMAN: There is one amendment (No.4) by the Minister.

SHRI PREM CHAND GUPTA: Sir, I move:

4. That at page 8, line 30, for the word "authorities", the word9" Board or Committee" be *substituted.*

m The question was put and the motion was adopted.

Clause 19, as amended, was added to the Bill.

Clauses 20 to 31 were added to the Bill.

CLAUSE 32

Substitution of new schedules for First Schedule *and* Second Schedule.

MR. DEPUTY CHAIRMAN: There is one amendment (No. 5) by the Minister.

SHRI PREM CHAND GUPTA: Sir, I move:

5. That at page 15, line 7, for the words "as provided", the words "or anything as provided" be *substituted.*

The question was put and the motion was adopted.

Clause 32, as amended, was added to the Bill.

Clause 1, the Enacting Formula and the Title were a lded to the Bill.

SHRI PREM CHAND GUPTA: Sir, I move:

That the Bill, as amended, be passed.

The question was put and the motion was adopted.

MR. DEPUTY CHAIRMAN: I adjourn the House till 11 a.m. tomorrow.

The House then adjourned at thirty-nine minutes past six of the clock till eleven of the clock on Wednesday, the 14th December 2005.